

GENERAL AGREEMENT ON TARIFFS AND TRADE

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REPORT BY THE CHAIRMAN OF COMMITTEE III
ON THE MEETING HELD ON 12 NOVEMBER 1964

1. Committee III held a meeting on 12 November 1964. The Committee based its discussion on the secretariat paper which summarized relevant developments relating to the Committee's work programme since its last meeting in March 1964 (Spec (64)187).
2. The Committee addressed itself to the following points:
 - A. Examination of further products of export interest to less-developed countries for inclusion in the list of products covered by the Action Programme.
 - B. Programme of development plan studies.
 - C. International Trade Centre.
 - D. Production and marketing techniques.
 - E. Other matters.
- A. Examination of further products of export interest to less-developed countries for inclusion in the list of products covered by the Action Programme
3. At their meeting in May 1963, Ministers of contracting parties agreed that the Action Programme might subsequently be extended to cover an enlarged list of products, to be agreed upon. At the present meeting, Committee III had before it data relating to the import treatment of products contained in Lists 1-3 and also approximately 180 items (in terms of BTN) covered by the additional lists submitted by less-developed countries to the Committee of which, at the October 1963 meeting, these countries had nominated seventy-eight products for priority study.¹
4. Members of the Committee stressed the need for early examination of the enlarged list of products which might be covered by the Action Programme. In their view this had to be a continuing process which should keep pace with the growing diversification in the production and export trade of less-developed countries. It was also the view of some members of the Committee that tariff concessions in the Kennedy round of negotiations should relate to the consolidated list of products presented to Committee III for examination as well as to the products separately notified by less-developed countries as of export interest to them for the purposes of ensuring that these products would be excluded from the exceptions lists.

¹See COM.III/136.

5. The Committee noted that both the list of products notified to it and those notified by governments for exclusion from the exceptions lists would be before contracting parties participating in the Kennedy Round for such action as they might consider appropriate in the context of the Kennedy Round.

6. The Committee recognized that since the present one-day meeting had been scheduled for establishing its future work programme, it would not be possible to undertake a substantive examination of the additional lists of products. The Committee agreed that a meeting should be convened early in January 1965 to examine, in the first instance, the list of products selected for priority study for possible inclusion of these products within the scope of the Action Programme. This would not preclude examination of additional products at a subsequent date.

7. The Committee recognized that, in selecting products for inclusion within the coverage of the Action Programme, speedy action should be taken in respect of those items on which quantitative restrictions were maintained inconsistently with the provisions of the GATT. It was suggested that a number of other items might require somewhat more detailed examination with a view to determining what solutions would be appropriate, having regard to the nature of the barriers affecting the commodity and trade patterns.

8. The Committee noted that, at their Special Session, the CONTRACTING PARTIES might set up a Committee on Trade and Development which would inter alia take over the functions of Committee III. The Committee recommended that in that event the new body should hold a meeting early in January for carrying out the task indicated in paragraphs 6 and 7 above.

B. Programme of development plan studies

9. At the invitation of the Committee, the Deputy Executive Secretary made a statement on the progress made in the programme of development plan studies agreed upon at the Committee's meeting in October 1963. The Deputy Executive Secretary indicated that over the last twelve months work had been continued in collaboration with the countries whose plans were under study and the international organizations competent in these matters. Some delay had taken place in submitting these studies to Committee III because priority had been given not only in the GATT secretariat but also by the governments concerned to other work relating to the examination of the problems in the field of trade and development of less-developed countries. Further, when the programme of work for this autumn was considered by the Council at its summer meeting, the secretariat was instructed by the Council to accord priority to such matters as the Draft Chapter on Trade and Development, the question of preferences and the work programme of the Action Committee and its Sub-Committees. Nevertheless, progress had been made and papers on the development plans of Chile, Nigeria, Uganda and Kenya would be ready shortly. While substantial progress had also been made in the studies of Malaysia, Tunisia and Turkey, the work on the Ivory Coast study had not progressed at the same pace, mainly because that country

had not found it opportune to have its development plan studied at this stage. The secretariat had also taken account of the request for a study, made by the Government of Israel, which was noted by the Committee at its October meeting in 1963, without prejudice to other issues involved. As soon as the studies were completed by the secretariat, missions would be sent to the countries concerned with a view to finalizing the documents in consultation with the authorities of those countries, so that these might thereafter be submitted for discussion by the appropriate body of the CONTRACTING PARTIES in early 1965.

10. The Deputy Executive Secretary suggested that, at this stage, it would be appropriate for the Committee to put on its work programme, consideration of procedures to be followed when the plans were taken up for examination by the Committee or other appropriate body. This was an important matter which deserved serious consideration because a basic object of the exercise was to enable contracting parties to focus attention on the problems facing the countries selected for study, in the field of export expansion and barriers to trade. The examination conducted in Committee III, or the appropriate body, should be constructive and should yield specific conclusions which would help carry forward the work of expanding export opportunities for the less-developed countries. After holding discussions with the countries whose plans were under study, the secretariat would submit certain specific suggestions for the examination of these studies.

11. The Committee took note of the statement by the Deputy Executive Secretary.

C. International Trade Centre

12. At the invitation of the Chairman, the Deputy Executive Secretary made a statement on activities of the International Trade Centre. He stated that as the Centre had only started functioning recently, it was too early to present a full report. Nevertheless, it had become evident since it had commenced operations, that it was filling a gap which had existed, despite the presence of many other channels of information and advisory services in the world.

13. The Centre had been receiving an increasing number of enquiries from less-developed countries requesting specific information on trade barriers affecting products of special export interest to them; advice on marketing techniques; and how studies should be carried out in regard to marketing and trade promotion. The facilities at present available to the Centre might not be adequate to deal with all the requests which it was now receiving. At its meeting early in 1965, the Expert Group, while reviewing the work of the Centre would, no doubt, consider the situation in the light of experience that had been gained and would decide as to whether the Centre should be expanded or the mandate given to it last year limited in order to avoid any further budgetary implications. He hoped that by that time it would be possible for the secretariat to indicate to the Expert Group what were the main areas of enquiry which the Centre could most usefully cover within the normal framework of GATT activities so that the Centre's functions were not needlessly extended to fields which were the responsibility of other organizations.

14. The Committee took note of the statement made by the Deputy Executive Secretary and expressed its satisfaction at the fact that the Centre was fulfilling a real need.

D. Production and marketing techniques

15. The Committee took note of the position indicated in the secretariat paper Spec(64)187. The Committee renewed its invitation to contracting parties to supply papers setting out their experiences and difficulties in the field of production for export and marketing techniques, so that exporters in less-developed countries might be able to benefit from the experience of other exporters in this field. It was suggested that those contracting parties which had not yet submitted such papers, should do so, if possible, before the next meeting of the Expert Group, scheduled to be held early in 1965.

E. Other matters

16. In the discussion under this heading, it was stressed that some of the proposals in relation to point (viii) of the Action Programme which were referred to the Committee by the Action Committee should not be lost sight of, and should be examined either by this Committee at its next meeting early in 1965, or by the envisaged Committee on Trade and Development.

17. It was suggested that, to this end, the secretariat should undertake studies of these proposals including such proposals arising out of UNCTAD as were relevant to the Committee's work. It was also suggested that the secretariat initiate a study of certain measures for example those relating to adjustments of production and trading patterns or other assistance to exports of less-developed countries. It was agreed that the secretariat would endeavour to meet the wishes of the Committee in this regard to the extent possible.

18. Further the secretariat was requested to prepare a paper giving a detailed summary of the work completed by the Committee, and the matters which still remain to be dealt with in future. It was felt that such a summary would facilitate discussions on these matters in the Committee on Trade and Development if it were to be decided by the CONTRACTING PARTIES that that body should take over the work of Committee III.