

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## Committee III - Expansion of Trade

### NOTE ON WORK IN PROGRESS IN COMMITTEE III<sup>1</sup>

Prepared by the Secretariat

This note was prepared for the meeting of Committee III on 12 November 1964. The note covers developments since the meeting of Committee III in March this year and is circulated for the information of contracting parties pending the preparation of a more comprehensive paper reviewing the Committee's work.

#### I. Review of progress in the elimination of trade barriers affecting products examined by Committee III

It will be recalled that the Action Committee was entrusted with important responsibilities for supervising the implementation of the Action Programme. Through its Sub-Committee 1, the Action Committee has established a procedure for review of progress and for consultation with contracting parties concerned regarding possibilities for the early removal of remaining barriers on products covered by the Action Programme (lists 1-3 of Committee III). Since the last meeting of Committee III, Sub-Committee 1 of the Action Committee has held two meetings, namely on 12 and 13 October and from 2-4 November inclusive. The Sub-Committee has conducted a general review of progress made by industrialized countries in implementing the Ministerial Conclusions relating to points (i)-(vii) of the Action Programme. Further, consultations were held with Austria, Denmark, the Federal Republic of Germany, Italy, Japan, the United Kingdom and the United States. The report of the Sub-Committee is contained in documents AC/SC1/14 and Corr.1.

The Action Committee took note of this report when it last met on 9 November. The Chairman of the Action Committee will report to the Special Session of the CONTRACTING PARTIES on the progress achieved.

#### II. Examination of further products of export interest to less-developed countries

At the meeting of Committee III in October 1963, less-developed countries nominated a further list of products (some 170 tariff items in terms of the BTN) for consideration and examination in the Committee because of the special export interest of these products to them. In view of the understanding of Ministers at their meeting in May 1963 that the Action Programme might be extended to cover an enlarged list of products, to be agreed upon, and in order to expedite work to this end, the less-developed countries selected, from the more comprehensive list, seventy-eight items (in terms of the BTN) for priority study.<sup>2</sup>

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<sup>1</sup>The note was first circulated in document Spec(64)187.

<sup>2</sup>Another product - instant tea - was subsequently added to that list at the request of the Government of Ceylon (see CCM.III/124/Rev.1/Add.1).

In accordance with a recommendation made by Committee III, a questionnaire was circulated in January this year to all GATT countries inviting data on commercial policy measures, trade flows and other relevant information. Data of the kind asked for in the questionnaire has so far been received from forty-seven countries.<sup>1</sup> Reminders have been sent, as appropriate, to governments which have not so far supplied the required data or have supplied incomplete data.

On the basis of these replies, but also taking into account other relevant notifications from governments, the secretariat has prepared a paper (document COM.III/136<sup>2</sup>), showing the import treatment in industrialized countries in respect of the products already examined and those notified to the Committee as being of special export interest to less-developed countries. Other data supplied in the questionnaire is being processed by the secretariat.

The question of enlargement of the list of products covered by the Action Programme was taken up by Sub-Committee 1 of the Action Committee during its recent meetings.<sup>3</sup> Specific reference was made to the work undertaken earlier in this regard by Committee III and in particular to the list of products selected for priority study. Representatives of less-developed countries urged that further action should now be taken to add these items to the list of products covered by the Action Programme. Sub-Committee 1 agreed, that the Action Committee should address itself to this problem with a view to making suitable recommendations for early examination and identification of these products in the appropriate body. At its meeting on 9 November the Action Committee took note of this recommendation and suggested that the matter be taken up by Committee III at its forthcoming meeting.

In view of these recommendations, and bearing in mind also that the data required for further action is now available, Committee III may wish to make the necessary arrangements for securing agreement on the inclusion of further products, in the first instance products in the priority list, in the list of items to which the Action Programme applies.

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<sup>1</sup>Completed questionnaires were returned by: Australia, Austria, Belgium, Brazil, Burma, Burundi, Canada, Central African Republic, Ceylon, Chad, Congo (Brazzaville), Congo (Leopoldville), Cyprus, Denmark, Finland, France, Federal Republic of Germany, Greece, Haiti, Israel, Italy, Ivory Coast, Jamaica, Japan, Kenya, Luxembourg, Madagascar, Malaysia, Mauritania, Netherlands, New Zealand, Nicaragua, Niger, Nigeria, Norway, Pakistan, Spain, Sweden, Switzerland, Togo, Tunisia, Turkey, United Kingdom, United States, United Republic of Tanzania, Uruguay, and Yugoslavia.

<sup>2</sup>Preliminary data relating to the products included in lists 1-3, and those relating to the list of products selected for priority study, have been circulated earlier in documents AC/SCL/13 and Spec(64)177.

<sup>3</sup>See AC/SCL/14 paragraphs 22 and 23, and Annex II to that report.

### III. Programme of development plan studies<sup>1</sup>

At its meeting in October 1963, Committee III agreed on a list of countries for priority study and on an outline and time-schedule for the conduct of the programme of studies of development plans and trade and aid relationships. Further, at its meeting in March this year, Committee III agreed to the inclusion of a further three countries in the list of countries whose development plans are to be taken up at an early date.

The Deputy Executive Secretary will make a statement at the present meeting on the further arrangements made in regard to this work, the action proposed to be taken for finalizing those country studies, the initial drafts of which are now nearing completion, and the procedures which may need to be adopted for examination of the studies by contracting parties.

### IV. International Trade Centre

The International Trade Centre, which was established on the recommendations of Committee III and the Expert Group in the Field of Trade Information, commenced operations on 1 May this year. The Centre is now in the process of preparing the publications and has started to provide the services spelled out in the recommendations in paragraph 3 of the Committee's last report (L/2181).

Preparations are being made for convening another meeting of the Expert Group early next year.

### V. Production and marketing techniques

Questions falling under this heading were last taken up by the Committee in connexion with the discussion on the establishment of trade information and trade promotion advisory services in the framework of the GATT. Certain aspects of possibilities for rendering assistance in this field were subsequently discussed by the Expert Group in the Field of Trade Information (see COM.III/128).

The attention of the Committee is drawn to paragraph 40 of document L/2080 of 7 November 1963, in which contracting parties were invited to supply papers setting out their experiences and difficulties in the fields of production for export and marketing techniques, so that exporters in less-developed countries may be able to benefit from the experience of other countries. In this connexion it may be recalled that it had been suggested that these papers should also be submitted to the Expert Group in the Field of Trade Information. When the Expert Group met in February this year, only two such papers had been submitted (COM.III/117 and COM.III/122). The Committee might wish to consider whether the invitation to contracting parties to supply such papers should be renewed. In this connexion it might also be recalled that the Expert Group will hold another meeting early next year.

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<sup>1</sup>L/2080 Section III, L/2181 and COM.III/118 and Add.1.

## VI. Other matters

It will be recalled that the Action Committee had suggested at its meeting in September 1963 that Committee III might deal with some of the proposals made in the Action Committee in relation to point (viii) of the Action Programme (AC/3 para. 33). Two of the points referred to Committee III, namely (i) proposals relating to assistance to less-developed countries in regard to export promotion schemes, and (ii) a proposal relating to the extension of activities of GATT into the field of financial assistance, have been dealt with by Committee III and also by expert groups, convened earlier this year on the basis of recommendations by Committee III (see COM.III/127 and COM.III/128). The other points referred to Committee III, relating primarily to action in the field of commodity trade, and also to measures designed to encourage selective industrialization have not been taken up in the Committee, but have been discussed in Sub-Committee 2 of the Action Committee (see AC/SC2/2) and, in regard to certain special points, in the Working Party on Preferences. (See L/2282)

It may also be of interest to note that certain aspects of the question relating to the use of export subsidies by less-developed countries - a question which was considered briefly at the meeting of Committee III in October 1963 - have been taken up by the Committee on the Legal and Institutional Framework of GATT in Relation to Less-Developed Countries. The last report of that Committee is contained in L/2281 and Corr.1 and Add.1.