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REPORT OF THE ECA/UNCTAD SEMINAR ON MULTILATERAL TRADE NEGOTIATIONS
(Addis Ababa, 13-24 January 1975)

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REPORT OF THE ECA/UNCTAD SEMINAR ON MULTILATERAL TRADE NEGOTIATIONS

INTRODUCTION

1. The African Regional Seminar on Multilateral Trade Negotiations (MTN) was held in Addis Ababa from 13 to 24 January 1975. It was jointly organized by the Economic Commission for Africa and the UNCTAD/Multilateral Trade Negotiations Project. It had as its purpose to inform officials of African countries, planning to participate in the MTN, of the background of the MTN, to acquaint the participants with the major trade policy issues and problems to be dealt with in these negotiations and the relevant negotiating techniques, to keep them informed of the work of GATT, UNCTAD, ECA and other organizations in connexion with the forthcoming MTN, to formulate a common African approach to the negotiations and to relate this approach to the positions and approaches of other developing countries. The Seminar provided an opportunity for officials from the African countries to become more fully acquainted with all aspects of the MTN, with a view to making their participation effective and useful.

2. Throughout the Seminar discussions, emphasis was placed on the specific problems of commercial policy facing the developing countries, and the least-developed of the developing countries, in their participation in the MTN. The lectures and the discussion focussed on the specific objectives of the developing countries, on the negotiating techniques and modalities most suited to their specific needs, and on the examination of the positions of the developing and the developed countries in the MTN. Commercial policy problems related to the trade of the developing countries in manufactured, agricultural and primary products were also discussed.

3. The participants summed up the views expressed by them in the Seminar discussion in the form of conclusions, outlining an African approach to the MTN. It was felt by the participants that these conclusions might be helpful to officials of African countries in mapping out their negotiating objectives and strategies for the MTN. They are presented as annex IV.

Participation

4. The Seminar was attended by officials of the following countries: Botswana, Cameroon, Egypt, Equatorial Guinea, Ethiopia, Kenya, Malawi, Mauritania, Morocco, Nigeria, Rwanda, Senegal, Sudan, Tanzania, Togo, Uganda and Zaire.

Organization of the seminar

5. The Seminar was opened by Mr. Robert K.A. Gardiner, Executive Secretary of the Economic Commission for Africa, who, in his inaugural address, emphasized the importance of effective participation of the African countries in the MTN for a substantial and meaningful improvement and expansion in their international trade and in Africa's economic development. The meetings were chaired by Mr. H.L. Bazin, Chief, Trade Section of ECA and attended by members of the ECA secretariat. The UNCTAD/MTN Project sent two of its expert personnel Mr. A.G. Barve and Mr. L. Felsenthal to assist in the conduct of the discussions. In addition UNCTAD secretariat seconded two of its senior staff members for the same purpose, namely Mr. H. Stordel, Deputy Director of the Manufactures Division and Mr. A.R. Lamond, Chief, General Studies Section of the Commodities Division. The GATT secretariat was represented by Mr. D. Peart. They participate actively in the presentation of selected topics and in the discussions. The Trade Adviser of the Commonwealth Secretariat, Mr. D.K. Srinivasachar, attended as observer, and contributed usefully to the discussion.

Programme

6. The Seminar Programme included the following topics, in roughly the order given below:

- (a) Background and framework for the current round of negotiations;
- (b) GATT approach to negotiations;
- (c) Preparatory work for the trade negotiations, especially as related to developing countries:
 - (i) Tariffs;
 - (ii) Non-Tariff measures;
 - (iii) Agricultural products;
 - (iv) Tropical products;
 - (v) Multilateral safeguards; and
 - (vi) Sector approach.
- (d) The Trade Negotiations Committee and its working groups;
- (e) Aspects of negotiations of particular interest to developing countries, including the techniques and modalities of negotiations;
- (f) Generalized System of Preferences and its relationship to MTN;

(g) Industrial products:

- (i) Main issues and problems in connexion with MTN, and
- (ii) Related activities in UNCTAD concerning manufactures

(h) Commodities and agricultural products:

- (i) Main issues and problems in connexion with MTN, and
- (ii) Related UNCTAD activities

(i) Position of developing countries;

(j) Negotiating positions of developed countries:

- (i) US Trade Act, 1974, and
- (ii) Positions of the European Community and Japan

(k) African approach to negotiations;

(l) Special issues and problems related to the MTN:

- (i) The multilateral safeguard system,
- (ii) Non-tariff barriers
- (iii) Sector approach
- (iv) Collection and utilization of statistical data
- (v) Selection of negotiating positions, and
- (vi) Technical preparation in individual countries

(m) Interregional and regional technical assistance to developing countries with regard to MTN; GATT technical assistance.

BACKGROUND, PREPARATIONS, SPECIAL PROBLEMS

7. Mr. Desmond Peart of the GATT Secretariat, participated in the Seminar, both as lecturer and as discussant. He gave a series of lectures on:

(a) The GATT approach to trade negotiations and background and framework for the current negotiations;

(b) Preparatory work and the current situation; the Trade Negotiations Committee and its working groups;

(c) Suggested techniques and approaches;

(d) Aspects of particular interest to developing countries in the MTN and how individual developing countries might prepare themselves for the negotiations;

(e) GATT technical assistance to developing countries participating in the negotiations.

8. Mr. Peart also took part in discussions and replied to questions from participants on various subjects covered in the Seminar. Among the points given particular stress by the GATT representative was the need for individual developing countries to prepare without delay a file containing a list of specific products of particular export interest to them, along with information on the trade barriers, both tariff and non-tariff, affecting these products. He said that this preparatory work could be done on the basis of the country studies prepared by GATT for individual developing countries. This preparatory work would not only facilitate the drawing up of their request lists, but would also help participating developing countries to see more clearly whether there were possibilities of working out joint negotiating positions with other countries. He also described the facilities offered by the GATT Secretariat for assisting developing countries in preparing for and participating in the MTN. The participants took note of these facilities and expressed particular interest in the country studies which they hoped would make a useful contribution to their preparations for the MTN.

9. Mr. A. Kouévi, ECA Trade Section, introduced a report on the structure of protection in African countries' export markets (E/CN.14/MTN/1) and explained the structure of customs duties and non-tariff barriers for the different groups of products. He reviewed the true extent of trade covered by the Generalized System of Preferences or special preferences and the probable impact of trade liberalization as a result of multilateral negotiations. Lastly he tried to indicate how African countries might choose an effective strategy in the course of the negotiations, taking into account the competitive position of their products on the different export markets.

THE GENERALIZED SYSTEM OF PREFERENCES: ITS RELATIONSHIP TO THE MTN

10. Mr. Stordel (UNCTAD Manufactures Division) recalled that the Ministerial Declaration on the MTN, adopted in Tokyo, recognizes the importance of maintaining and improving the GSP. He discussed the probable approaches of the USA and the EEC concerning tariff reductions in the MTN and their potential adverse effects on tariff preferences of the developing countries under the GSP. He considered that to safeguard GSP benefits, improvements of the GSP would be necessary, which should be sought in the UNCTAD Special Committee on Preferences and could relate, inter alia, to:

(a) The extension of the GSP product coverage; and

(b) Extension of duty-free entry under the various preferential schemes by means of deeper preferential tariff cuts, or by the elimination or relaxation of quantitative restrictions or other limitations on preferential imports.

11. In the negotiations, the developing countries participating in the MTN may find it useful to distinguish three categories of products covered by GSP schemes:

- (a) Products of major current interest to developing countries, as measured by their value in world trade;
- (b) Products of current export interest to both developing and developed countries; and
- (c) Products largely or exclusively traded by the developed countries, and for which it appears that developing countries will not become exporters for a long time to come.

It might be in the interest of the developing countries to press for exemption from the MTN or smaller MFN tariff cuts on those products contained in the first and second categories, but not oppose MFN tariff reductions on products of the third category.

12. In the discussion, a number of participants of the Seminar underlined the importance of maintaining the preferential margins of the GSP, also for those products that were at present of only potential export interest, but which the African developing countries were likely to produce for export in the next five or ten years.

INDUSTRIAL PRODUCTS: MAIN ISSUES AND PROBLEMS, RELATED ACTIVITIES OF UNCTAD IN THE FIELD OF MANUFACTURES

13. Mr. Stordel gave statistical information for the year 1973 on the exports of manufactures from developing countries in Africa to the developed market economy countries by various product groups. He also presented information on the imports of the main importing countries of African manufactured products, and the main African countries exporting such products in tabulated form, and discussed its implications for commercial policy. He distinguished between two categories of non-tariff barriers, namely, (a) quantitative restrictions on imports, including embargoes and voluntary export restraints on exports; (b) other measures of a qualitative nature such as: customs valuation and customs nomenclature; import licensing; standards; health and sanitary regulations; export subsidies and countervailing duties; domestic support policies; internal taxes; discriminatory country classification; import documentation and consular formalities; packaging, labelling and marking requirements and pointed out possible approaches towards liberalization of these barriers. He also emphasized the importance of reaching agreement on a standstill against the introduction of new non-tariff barriers or the intensification of existing non-tariff barriers by developed countries. He further discussed the specific problems of African countries that should be taken into account in the MTN with regard to the reduction or elimination of tariffs and non-tariff barriers on these products. He also referred to specific problems arising from the association agreements of African countries with the EEC, which require attention in the MTN.

14. Mr. Stordel briefly reported on the activities of the UNCTAD Committee on Manufactures in the field of tariff and non-tariff barriers and activities of the Special Committee on Preferences. He discussed the relevant decisions of the Trade and Development Board and the UNCTAD Conference itself, and resolutions adopted by UNCTAD on the MTN, notably Resolution 82(III) of the Conference, Resolution 2(VI) and Resolution 3(VI) of the Special Committee on Preferences, the draft resolution of the sixth session of the Committee on Manufactures concerning participation of the developing countries in the MTN, export incentives and counter-vailing duties, adjustment assistance measures, safeguards and standstill; Resolution 116(XIV) of the Trade and Development Board, as well as the General Assembly Resolutions 3040(XXVII), 3085(XXVIII), 3309(XXIX) and 3310(XXIX) on the MTN and the participation of the Secretary General of UNCTAD in them.

COMMODITIES AND AGRICULTURAL PRODUCTS: ISSUES AND PROBLEMS, RELATED ACTIVITIES OF UNCTAD

15. Mr. Lamond (UNCTAD Commodities Division) described the main issues and problems in the field of commodities trade of the developing countries as the need for:

(a) Stabilization of prices of a comprehensive range of commodities in the interest of both exporting and importing countries, developed and developing, at levels which should take into account world inflation;

(b) Establishment of greater security of supplies of essential commodities to importing countries, developed and developing;

(c) Improvement of access to markets in developed countries for protected commodities, primary and processed, of export interest to developing countries.

16. He said that hitherto little or no practical progress had been made in UNCTAD on the access problem for commodities. The most recent effort in this regard had been the series of intensive intergovernmental consultations on individual commodities sponsored by UNCTAD in 1974. Developing countries generally regarded these as a failure, since they did not involve actual negotiation, but developed countries felt that they had been a useful preparation for the MTN, inasmuch as the consultations had clarified the access issues and problems with respect to the commodities concerned.

17. Now he pointed out, negotiations on problems of access for primary and processed commodities might take place in three different fora. Agricultural as well as industrial products would be covered by the MTN and efforts would continue in the UNCTAD Committee on Preferences to extend the coverage of the GSP to those primary and processed commodities (mainly foodstuffs) at present excluded from it. In addition, access problems might be dealt with in the context of the proposed integrated programme for commodities to be examined by the UNCTAD Committee on Commodities at its eighth session (10-21 February 1975). He felt it would be in the interest of African developing countries to participate fully in all these initiatives and not to place their reliance exclusively on any one of them.

18. In discussing issues in the MTN with regard to primary agricultural products of export interest to developing countries, he distinguished between foodstuffs and industrial raw materials. In negotiations on cereals, beef, oilseeds, and other temperate zone products, in which African countries have considerable actual or potential export interest, the main problem would be the protective policies of developed countries, notably the EEC. However, African countries face strong competition with respect to those products from the United States and other developed exporters. He therefore suggested preferential treatment for developing countries as a possible negotiating objective in the MTN. For sugar he recommended that a reduction of protection should be sought in the framework of a new international agreement and for tropical products and tobacco that revenue duties and taxes should be eliminated. In the case of tobacco, he suggested also that specific import duties or excise taxes, which at present discriminate against cheaper tobacco exports, be converted to an ad valorem basis. In the discussion, additional problems of agricultural products of specific interest to African countries were raised. It was suggested that the problems of non-tariff barriers on agricultural products should receive special attention of the developing countries participating in the MTN.

THE POSITION OF THE DEVELOPING COUNTRIES IN THE MTN

19. The discussions on the positions and approaches of the developing countries to the MTN were led off by Mr. Barve. His statement stressed that the improvement of export earnings and the acceleration of economic development being the major objectives of developing countries in the forthcoming MTN, special emphasis was to be placed on improved access to markets and the creation of a framework of rules of international trade which offers exports of developing countries, both present and potential, satisfactory market opportunities and special benefits of a preferential nature. He underlined the importance of the Tokyo Declaration of September 1973, which had been unanimously adopted by both developed and developing countries as a statement of general principles, and expressed the hope that this Declaration would be implemented as quickly and as completely as possible. He further stressed the necessity of self-reliance on the part of developing countries in preparing their case for effective negotiations, and noted the necessity for individual countries to prepare specific lists of products of export interest to them, and to identify their special interests and particular commercial problems, with respect to both tariff and non-tariff barriers, multilateral safeguards, import restrictions, etc. He also referred to the potential erosion of special preferential benefits currently received by developing countries because of their particular arrangements with the European Community or under various GSP schemes. African countries should obtain technical assistance for adequate preparation of their negotiating positions, to enable them to participate effectively in the negotiations, and should co-ordinate their negotiating strategies with the strategies of other developing countries in general and, for specific commodity exports, with other developing countries which have similar interests. The selection of appropriate spokesmen or groupings of countries pursuing similar aims in the negotiations could also be helpful in presenting their requests in the MTN and in bargaining for concessions. Finally reference was made to the usefulness of a regional approach for dealing with problems of particular interest to Africa. This topic was dealt with in greater detail in the discussion on a specific African approach to the negotiations.

NEGOTIATING POSITIONS OF DEVELOPED COUNTRIES

20. Mr. Felsenthal reviewed in detail the provisions of the United States Trade Act of 1974 as the basis for the United States negotiating position in the MTN. He set out the stated objectives of the United States in the negotiations, among them to negotiate the elimination, reduction or harmonization of both tariff and non-tariff barriers on imports of special interest to the United States, the conclusion of trade agreements which would be of benefit to developing countries and a reform of international rules within the framework of the GATT, especially those related to a more effective multilateral safeguard system. A further objective of the negotiations is to reach agreements ensuring access to vital supplies.

21. He pointed out that, from the point of view of the developing countries, several provisions of the United States Trade Act were unsatisfactory, notably those specifying GSP eligibility for developing countries, and those establishing "competitive need" ceilings under the GSP scheme. The possibility of granting only conditional MFN, in the case of certain agreements on the reduction or elimination of non-tariff barriers, may have an undesirable effect on the trade of developing countries. The emphasis on negotiating improved access conditions for agricultural products may benefit export interests of the developing countries.

22. He also gave a brief summary of the negotiating position of the European Community, as far as it was known at present, but emphasized that internal Community discussions were still in progress. Similarly, the Japanese position on the negotiating objectives for the MTN had not been indicated in any public statements.

23. In the discussion, certain provisions of the United States Trade Act were discussed in greater detail. It was pointed out the access to supplies of essential material had been stated as one of the major negotiating objectives in the United States Trade Act and that this could become a major subject for negotiations of particular interest to African countries which were exporters of primary products falling under this definition. By implication, the Act links access to supply and access to markets as two sides of a possible commercial agreement under the MTN. The implications of the non-eligibility of OPEC countries for GSP under the United States Act were also briefly discussed.

SPECIAL ISSUES AND PROBLEMS RELATED

(a) Multilateral safeguard system

24. In discussing proposals for a review and revision of the Multilateral Safeguard System, as it exists in the GATT today, Mr. Felsenthal, emphasized the importance for the developing countries to participate in any discussions and possible negotiations which would lead to a reform of the existing safeguard rules. The Tokyo Declaration had called for a thorough examination of the adequacy of the Multilateral Safeguard System and, in particular, of the way in which Article XIX of the GATT is presently applied. This article allows members, subject to certain conditions, to reimpose trade barriers against products which are imported in increased quantities or under conditions causing injury or "disruption" to competing domestic producers. If invoked too frequently, this safeguard clause could nullify, or at least considerably reduce,

the effectiveness of liberalization on trade barriers, particularly if applied arbitrarily. A genuine security on market access is necessary to make trade concessions effective. It has been suggested that the criteria, under which existing GATT safeguard procedures are to be undertaken, should be carefully reviewed and the procedures for multilateral supervision and surveillance of such safeguards be strengthened. Whether this can be done within the existing Article XIX of GATT is at present controversial. Developing countries should make sure that special trade concessions of a preferential nature are not eroded or negated by the application of safeguards. It would be in their interest that domestic industrial adjustment policies be applied by developed countries in connexion with the imposition of temporary trade restrictions and that, in particular, policies be adopted by the developed countries which would ensure shifts in employment and capital from industries threatened by import competition from developing countries to other fields of activity.

(b) Sector approach

25. The Sector Approach to negotiations was discussed as a technique which may be of potential interest to developing countries in the MTN. Both advantages and disadvantages for negotiating developing countries were examined. The possibility was also explored whether tropical products, which are to be treated as a priority sector in the forthcoming MTN, would lend themselves usefully to the Sector Approach. The discussion did not lead to a definitive position on the usefulness of the Sector Approach as an instrument serving the interests of the developing countries.

(c) Collection and utilization of statistical data

26. Mr. Barve stressed the importance of the collection of statistical data in preparation of the MTN for developing countries. He explained that detailed statistical information on trade of individual countries with the major developed country markets, on tariffs and non-tariff barriers and on trade of competing countries with the same markets, were of vital importance to effective participation of individual countries in the MTN. Such statistical information is compiled by the Interregional MTN Project in Geneva and is available to developing countries, intending to participate in the MTN, on request. He further explained that it was particularly helpful if the developing countries could prepare lists of a limited number of specific products, on which they would request trade concessions from the developed markets, and that the Interregional MTN Project would be in a position to help countries to identify such products on a statistical basis. He further explained in some detail how the utilization of such statistical material was of great importance to the formulation of an effective negotiating position of the developing countries, and how such information could help them in arriving at a joint approach, wherever this was called for by the negotiating situation. He advised countries to set up appropriate technical back-stop facilities in their own capitals to assist negotiators in Geneva, to organise a negotiating team in Geneva and to co-operate closely with the Regional and Interregional Technical Assistance Projects set up to help developing countries in the effective conduct of the negotiations.

INTERREGIONAL AND REGIONAL TECHNICAL ASSISTANCE TO DEVELOPING
COUNTRIES WITH REGARD TO MTN; GATT TECHNICAL ASSISTANCE

27. The discussions on this topic were led off by Mr. Barve, Mr. Bazin and Mr. Peart who reviewed the technical assistance schemes proposed by their respective Organizations. Emphasis was put on the complementary nature of these schemes and on the need for developing countries, including African ones, to make judicious use of them, without prejudice to preparations to be made at national levels.

CONCLUSIONS: AFRICAN APPROACH TO NEGOTIATIONS

28. Mr. H.L. Bazin outlined the basic elements that might be considered in formulating the negotiating positions and strategies of African countries in the MTN. These were fully discussed by participants. Common views were reached and embodied in a set of "Conclusions" to be forwarded to governments and the African Group in Geneva for possible useful reference in the formulation of negotiating positions. These conclusions are to be found in annex IV.

SEMINAR PROGRAMME

First week

Monday, 13 January

- | | |
|--------------------|--|
| 10 a.m. | Opening and programme briefing |
| 3 p.m. - 4.30 p.m. | Presentation of documents |
| | Background and framework for the current round of negotiations |
| 4.30 p.m. - 5 p.m. | Break |
| 5 p.m. - 6 p.m. | The GATT approach to negotiations |

Tuesday, 14 January

- | | |
|----------------------|--|
| 9.30 a.m. - 11 a.m. | Preparatory work for the trade negotiations especially as it relates to developing countries:
(a) Tariffs;
(b) Non-tariff measures. |
| 11 a.m. - 11.30 a.m. | Break |
| 11.30 a.m. - 1 p.m. | Preparatory work for the trade negotiations especially as it relates to developing countries (continuation):
(a) Tariffs;
(b) Non-tariff measures. |
| 3 p.m. - 4.30 p.m. | Preparatory work for the trade negotiations especially as it relates to developing countries (continuation):
(c) Agriculture;
(d) Tropical products. |
| 4.30 p.m. - 5 p.m. | Break |
| 5 p.m. - 6 p.m. | Preparatory work for the trade negotiations especially as it relates to developing countries (continuation):
(e) Safeguards;
(f) Sector approach. |

Wednesday, 15 January

9.30 a.m. - 11 a.m.

The Trade Negotiations Committee and Working Groups, Current situation.

11 a.m. - 11.30 a.m.

Break

11.30 a.m. - 1 p.m.

Aspects of the negotiations of particular interest to developing countries, including techniques and modalities

Afternoon

Free

Thursday, 16 January

9.30 a.m. - 11 a.m.

Developing countries' approach to the negotiations

11 a.m. - 11.30 a.m.

Break

11.30 a.m. - 1 p.m.

Developing countries' approach to the negotiations (continuation)

3 p.m. - 4.30 p.m.

The Generalized System of Preferences Relationship between GSP and MTN

4.30 p.m. - 5 p.m.

Break

5 p.m. - 6 p.m.

The Generalized System of Preferences Relationship between GSP and MTN (continuation)

Friday, 17 January

9.30 a.m. - 11 a.m.

Industrial products: Main issues and problems

11 a.m. - 11.30 a.m.

Break

11.30 a.m. - 1 p.m.

Related activities in UNCTAD concerning manufactures

3 p.m. - 4.30 p.m.

United States Trade Bill

4.30 p.m. - 5 p.m.

Break

5 p.m. - 6 p.m.

EEC and Japanese positions

Second week

Monday, 20 January

9.30 a.m. - 11 a.m.	Related activities in UNCTAD concerning commodities. The intensive consultations
11 a.m. - 11.30 a.m.	Break
11.30 a.m. - 1 p.m.	Related activities in UNCTAD concerning commodities. The intensive consultations (continuation)
3 p.m. - 4.30 p.m.	Agriculture. Main issues and problems
4.30 p.m. - 5 p.m.	Break
5 p.m. - 6 p.m.	Agriculture. Main issues and problems (continuation)

Tuesday, 21 January

9.30 a.m. - 11 a.m.	African approach to the negotiations
11 a.m. - 11.30 a.m.	Break
11.30 a.m. - 1 p.m.	African approach to the negotiations (continuation)
3 p.m. - 4.30 p.m.	African approach to the negotiations (continuation)
4.30 p.m. - 5 p.m.	Break
5 p.m. - 6 p.m.	African approach to the negotiations (continuation)

Wednesday, 22 January

9.30 a.m. - 11 a.m.	The proposed multilateral safeguards system
11 a.m. - 11.30 a.m.	Break
11.30 a.m. - 1 p.m.	Non-tariff barriers. The sector approach to trade negotiations
Afternoon	Free

Thursday, 23 January

9.30 a.m. - 11 a.m.

Data collection and its utilization in the trade negotiations. Selection of negotiating positions

11 a.m. - 11.30 a.m.

Break

11.30 a.m. - 1 p.m.

Data collection and its utilization in the trade negotiations. Selection of a negotiating position (continuation)

3 p.m. - 4.30 p.m.

Continuation of morning lecture

4.30 p.m. - 5 p.m.

Break

5 p.m. - 6 p.m.

Inter-regional and regional assistance with regard to MTN

Friday, 24 January

9.30 a.m. - 11 a.m.

Summary and conclusions

11 a.m. - 11.30 a.m.

Break

11.30 a.m. - 1 p.m.

Summary and conclusions (continuation)

3 p.m.

Closing ceremony

OPENING STATEMENT

BY

R.K.A. GARDINER, EXECUTIVE SECRETARY OF ECA

On behalf of the secretariat and on my own behalf, I am happy to welcome you all to this joint ECA/UNCTAD seminar on the multilateral trade negotiations. I would like to extend a special welcome to Mr. Desmond Peart, whom the Director General of GATT has very kindly put at our disposal to assist us in our work.

You are all aware of the origins of the multilateral and comprehensive negotiations in the framework of GATT, and the fact that a great deal of preparation has been undertaken, and, that in the process, a very wide spectrum of the international community has been drawn into this major effort at trade liberalization. You will also recall that within the past 27 years since GATT was founded, six major trade negotiations have taken place under its auspices. None of these can, however, match the magnitude or be compared with the one now commencing, if only in terms of its coverage, complexity, and above all, the active interest displayed by the developing countries whether Contracting Parties to GATT or not, in its preparation. Notwithstanding these factors, we cannot but be wary so that despite our active participation, we might not at the end be left only with the crumbs from the masters' table as happened after the Kennedy Round. That round resulted in considerably lower tariff barriers on industrial products, but it failed to bring about a major dismantling of the tariffs and the non-tariff barriers that are of particular interest to African exports.

There is a clear and real danger that, for the following reasons, the interest of African countries, individually or as whole, may not be given the consideration they deserve in the present round of negotiations:- Firstly, the developed countries will negotiate mainly on problems of major interest to themselves and questions of interest to individual developing countries may be neglected or become incidental only to the negotiation process. Secondly, African countries will be at a disadvantage as many of them are new to such negotiations, whereas the developed countries and major developing countries have a long tradition of hard bargaining in the field of trade, backed by considerable expertise on detailed trade questions. Thirdly, the traditional technique of multilateral trade negotiations within GATT which has consisted of tariff concessions on a bilateral basis between principal importers and principal suppliers, inevitably places African countries at a disadvantage since, generally, few of them are principal suppliers or have a principal supplying interest.

All this makes it necessary for African countries as a group, or groups of African countries, to adopt common negotiating positions and, if possible, to act jointly in these negotiations. Such joint action would also increase their bargaining position. Indeed, this is the background of recent efforts made by African countries, in both international and regional fora, to ensure that their participation in negotiations should, to quote from a resolution adopted by the ECA Conference of Ministers in February 1973, "provide the African countries with additional benefits that represent a substantial and meaningful improvement in their position in international trade so that they secure an increasing share in the growth of international trade commensurate with the needs of their economic development".

Since the failure of the Kennedy Round to produce significant benefits for African countries has been attributed partly to their lack of qualified personnel and factual data and other necessary information, the ECA Conference of Ministers, at its Second Session, also adopted resolution 243(XI) in which it requested the Executive Secretary "to assist member States by providing all information and expert services necessary to enable African countries to participate effectively in these negotiations" and "to prepare and forward to the United Nations Development Programme a regional project request for assistance to the Commission to enable it to carry out these tasks".

During the same preparatory period, developing African countries, most of whom are contributing actively to the work of UNCTAD, have strongly supported the view that technical assistance at the international and global levels would be invaluable in supplementing the assistance activities on the regional level. Accordingly, the third session of UNCTAD at Santiago invited UNDP to "consider favourably requests from governments of developing countries for technical assistance at the national regional and inter-regional levels to enable them to participate effectively in these negotiations".

You are all aware of the close links that exist between ECA and UNCTAD in the field of trade. This co-operation, which has been increasing over the years, is now exemplified by the project to assist, with UNDP support, African developing countries in the multilateral trade negotiations. Allocations have also been made by UNDP for the establishment of an African regional project closely co-ordinated with an inter-regional project under the aegis of UNCTAD.

Permit me, Mr. Chairman, at this stage, to say a few words about ECA's role in these undertakings. Information on trade, tariffs and non-tariff barriers provided by UNCTAD and GATT, partly in the form of punch-cards, is presently being analyzed with a view to identifying products or tariffs and non-tariff barriers of special interest to African countries in the negotiations. The first issue of a series of monographs, on the structure of protection in African countries' export markets, has been distributed to this seminar. Future issues will deal with specific preferential groupings, non-tariff barriers analysis of products of actual or potential significance to African countries, etc. The storage of these data in a computer retrievable bank may also be used at a later stage in assessing the benefits and costs of any tariff and non-tariff changes which might be proposed in the course of the negotiations. Further this seminar is the first of a number of seminars or orientation workshops which it is planned to hold in co-operation with the UNCTAD inter-regional project. A basic aim of these seminars is to enhance the negotiating efficiency of African negotiators. Finally, advisory services will be provided, at the request of African Governments, both to individual or to groups of African countries.

Success or failure of the negotiations, so far as African countries are concerned, will be judged essentially by what changes are made in the existing structure of protection, in developed countries, particularly for three major groups of products, namely, temperate-zone agricultural products, processed primary products and labour-intensive manufactures. The multilateral trade negotiations provide a further opportunity, following as they do on the negotiations about to be concluded in Brussels with the European Economic Community, to give high priority to the improvement of the market prospects for these products without losing sight of the specific

economic, social and institutional situation of each individual African country. The tariff advantages enjoyed by African countries as a result of their contractual arrangements with Europe of the Nine, and within the framework of GSP, might well be eroded as a result of the multilateral trade negotiations. African countries have on various occasions, and most recently in their negotiations with the European Economic Community, stated that they are not in favour of interfering with the process of liberalization of world trade. However, any significant losses of tariff advantage would need to be offset by gains elsewhere in the overall package of results.

Reductions in quantitative restrictions must form an important part of that package. A wide variety of such restrictions are currently in force, including import quotas, import licencing systems, import prohibitions and embargoes, and the so-called voluntary export restraints. Many of these restrictions are directed specifically at low-cost suppliers. Since African countries are generally low-cost producers of labour-intensive products, such restrictions tend to bear disproportionately on the export potential of our countries.

I would also draw your attention to the importance to many African countries of their export trade in tropical foods and beverages, many of which are subject to revenue duties. Though the Action Programme adopted by the GATT Ministerial Meeting in 1963 envisaged the abolition of these duties by the end of 1965, many of them remain in force. It is important that during these negotiations African countries make concerted efforts to have them eliminated.

The position of African countries in the negotiations are generally governed by the principles and guidelines adopted by African Heads of State and Government in May 1973. One of these principles demands "non-reciprocity in trade and tariff concessions accorded to African countries by the developed countries". This is, of course, in accordance with the provision of Part IV of the General Agreement, according to which, the developed countries "do not expect reciprocity for commitments made by them in trade negotiations to reduce or remove tariffs and other barriers to the trade of less developed countries". This provision reflects the fact that all countries are not equal. However, this principle should not prevent African countries reducing import barriers to trade among themselves as part of the negotiations. You will, I am sure, agree that there is scope and advantage in doing so.

Much hope is being placed by African countries on the multilateral trade negotiations. Indeed, they could play a key role in the wider changes which are now urgently needed in the institutional framework of the international economy. The existing international agreements and institutions were devised at a time when a limited number of developed market economy countries had a commanding position in world trade, payments and finance. That balance has now changed dramatically. African countries have consistently stressed the total inter-relationship between trade, monetary matters and the whole development process. The uncertainties in international monetary relations of recent years is a serious hindrance to the formulation of negotiating policies for all countries taking part in the multilateral trade negotiations. For African countries this task is made even more difficult because of their marked dependence on non-African currencies for external payments. Thus, at least for the African countries, questions of trade policies and trade negotiating positions have to be considered in conjunction with and with due regard to questions in the monetary field.

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These are some of the fundamental issues against which your complex, technical discussions will have to take place. I wish you success in your very important deliberations.

CONCLUSIONS: THE AFRICAN APPROACH TO THE MULTILATERAL TRADE NEGOTIATIONS

Participants examined the basic elements that should be taken into consideration in order to determine the positions and the strategy African countries should adopt with respect to the multilateral trade negotiations (MTN). These elements are set forth in the African Declaration on Co-operation, Development and Economic Independence adopted by the Heads of State and Government of the OAU in May 1973 and in the joint statement of the African delegations at the GATT Ministerial meeting held in Tokyo in September 1973 as well as in the Tokyo Declaration. On the basis of the guidelines contained in the above documents, and in the light of the information made available to them at the Seminar, the participants reached the following conclusions.

I. Basic approach

Participants agreed that the objectives of African participation in the MTN should be (a) the greatest possible expansion of their exports, commensurate with the needs of their economic development, (b) the strict preservation of all of the special advantages of a preferential character in trade with the developed countries already achieved as well as in the maintenance of the existing advantages in the GSP and the expansion of the list of products in these schemes to include all products of current and potential interest to Africa, (c) the attainment of additional trade benefits so as to achieve the maximum possible increase in their foreign exchange earnings and a substantial acceleration of their economic development.

The participants urged that African countries participating in the MTN should insist on the principle of strict application of non-reciprocity.

The participants to the seminar have agreed that the success of the MTNs depends to a considerable extent upon the liberalization of the access to developed countries markets by the African countries for products of special export interest to them. Among them, they assign highest priority to agricultural products, processed primary products and labour-intensive manufactures, either currently produced or considered to be of potential interest by the African countries.

The participants are of the view that special attention must be accorded to the trade and development needs of the least developed among the developing countries, especially among the African countries so that these countries should derive from the negotiating maximum possible advantages for their trade and economic development.

The participants consider that concessions given by the developed countries in the MTN to the developing countries should be extended on a non-discriminatory basis, and without prejudice to other arrangements, and to special advantages to be accorded to the least developed among the developing countries.

Participants are of the view that African countries should press for elimination or substantial reduction of tariff barriers on product of export interest to them, and for removal or substantial reduction of NTBs, in particular quantitative and qualitative restrictions on low-cost competitive products of special export interest to the African countries and the attainment of financial and technical assistance to raise the quality and standard of their export products.

Participants expressed the view that African countries should urge the abolition of revenue taxes levied by developed countries on foodstuffs and tropical products of major export interest to African countries.

Participants stated that the African countries consider the question of the reform of the worldwide monetary system closely linked and related to the success of the MTN; they therefore reiterate that parallel efforts, in the appropriate international organizations should be expeditiously advanced to stabilize the monetary system in order to protect advantages which they expect to gain from the MTN.

Participants considered that there is an urgent need for the development of new and comprehensive international commodity arrangements by the international community in parallel with the MTN; such arrangements should include comprehensive agreements on access to markets at stable, remunerative and equitable prices, and should encourage horizontal and vertical diversification of production and exports of the developing countries.

Participants expressed their disappointment at the failure as far as is currently known of developed countries to adopt policy positions for the MTN which would adequately meet the special trade and development needs of the developing countries.

Participants were of the view that, after African countries have formulated their own agreed approach on both basic objectives in the MTN, and on the techniques to be applied in the negotiations, they should concert their positions with other developing countries with a view to achieving a co-ordinated approach to the MTN.

II. Preparations, techniques, strategy

Effective participation of African countries in the MTN requires careful and comprehensive preparations. To this end, each individual country must, in the first instance, give careful attention to studies and reports emanating from the international agencies primarily concerned with the effective participation of developing countries in the MTN (UNCTAD, ECA, FAO, GATT, regional and inter-regional technical assistance projects).

Each country should prepare a list of products of priority export interest, collect pertinent statistics and/or request such statistics from the regional and inter-regional technical assistance projects, and carefully identify the trade barriers, both tariff and non-tariff ones, which at present restrict the expansion of its exports and retard its economic development.

Participants agreed that after individual identification of products of priority export interest, African countries should compare and co-ordinate their lists of such products for joint action whenever appropriate or useful, and decide on the suitable techniques and modalities of negotiation to remove these barriers, keeping in mind that the selection of proper negotiating techniques requires considerable flexibility. Wherever a number of African countries are suppliers of a particular commodity, they should act jointly.

It is in the interest of the African countries to achieve close co-ordination on techniques and modalities of negotiations with other developing countries throughout the negotiations wherever possible.

Participants recommended the convening of an African working group meeting on MTN at a time when preparations for the MTN within the international community have been further advanced, and when the African countries' own individual preparations

have sufficiently progressed. The working group could be charged with the harmonization of lists of products of special export interest to African countries and of the trade barriers affecting these products. A meeting of those responsible for industry, trade, economics and finance would be necessary to decide on the strategy which the African countries would adopt vis-à-vis the developed countries during the negotiations.

III. Participation of UNCTAD and ECA in the MTN

Participants expressed the view that it would be highly desirable that the Secretary-General of UNCTAD and the Executive Secretary of ECA be invited to attend the Trade Negotiations Committee, its subsidiary working groups, and other committees and organs of the MTN, as observers and to ensure prompt distribution to them of documents and reports of the GATT which have a bearing on the MTN, in accordance with Resolutions 106(XIII) of the Trade and Development Board, and of the General Assembly 3085(XXVIII).

IV. Technical assistance

Participants stated that the technical assistance projects, both regional and inter-regional, set up in accordance with Resolution 82(III) of the UNCTAD, and aimed at ensuring effective participation of developing countries in, and their deriving maximum benefits from, the MTN, are useful and should be continued throughout the negotiations. They agreed that contributions of these technical assistance projects to the preparations for, and the actual conduct of negotiations, should be stepped up for the benefit of the developing countries as the MTNs proceed.

V. Communication to governments

Participants expressed the wish that the above conclusions and the Report of the Seminar should be transmitted to all ECA member States and to the African Group in Geneva.

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