

(iv) Indexation would not necessarily help those most in need. Not all developing countries would gain equally. It is conceivable that those developing countries which export few commodities and import several as raw materials for manufacturing industries would be worse off as a result of indexation.

d) Producer Cartels

Although there has been heightened interest in cooperation among LDC commodity exporters, there appear to be very few commodities, apart from petroleum, in which cartel action by the LDCs might be effective - particularly in the absence of Canadian and Australian support. International commodity agreements which include both producers and consumers would appear the fairest and most workable mechanism for dealing with the problem of commodity stabilization - where such agreements can be effective.

III. Preferential Treatment

It is held that developing countries should generally have exemption from, or special treatment in respect of, tariff and non-tariff barriers to trade.

Developing countries have asked for an extension of the GSP - through expanded quotas or the removal of quotas; deeper tariff cuts; extended product coverage. They have also taken the position that the GSP should not be eroded by the Multilateral Trade Negotiations, arguing that tariff margins should be maintained or that the equivalent preferential treatment should be accorded them through the extension of the GSP.

Developing countries have argued that they should be exempted from safeguard action when such action is taken against developed country suppliers.

Apart from the GSP, developing countries have sought preferential treatment with respect to non-tariff barriers (NTBs) by:

- advance implementation of any quota reductions, or
- exemption from countervail and anti-dumping duties and exemption from (or modified application of) any agreements on government procurement and standards.