

A further problem facing the least-developed countries in the 1970s has been the deteriorating terms of trade of their exports and their difficulties in producing and marketing goods which are in demand abroad, including the markets of developed countries. Canada is prepared to work with other nations to facilitate the exports of developing countries.

I am pleased to be able to announce, Mr. President, that it is the intention of the Canadian government, subject to parliamentary approval, to introduce changes to its scheme of Tariff Preferences (GSP) in order to provide special and more favourable treatment on imports from the least-developed countries. Duty-free entry will be allowed on all imports from the least-developed countries which are currently covered by the Canadian preference system. A wide range of products, which are currently dutiable under the Canadian preference system at two-thirds of the Most-Favoured-Nation Tariff or less, will then be duty-free from the least-developed countries. The percentage of local transformation required in order to qualify under the Canadian scheme will also be reduced for the benefit of the least-developed countries. Under current Canadian GSP (Generalized System of Preferences) rules of origin regulations, the maximum third-country content allowed is 40 percent of the ex-factory price. For the least-developed countries, this ceiling will be relaxed to permit up to 60 percent of the ex-factory price to be sourced in a third country. It is hoped that this change in Canadian regulations will make it easier for the least-developed countries to export to Canada goods which contain a higher degree of third-country content.

I am also pleased to announce, Mr. President, that Canada has decided to extend, on a unilateral basis, the benefits of the GATT (General Agreement on Tariffs and Trade) Agreement on Government Procurement to a number of least-developed countries in keeping with the agreement reached during the MTN (multilateral trade negotiations) discussions. We will be communicating directly with the governments concerned. This action on the part of Canada will permit qualified suppliers from these least-developed countries to bid on a non-discriminatory basis on Canadian government contracts covered by the Code. Canada would urge other signatories to the GATT Agreement on Government Procurement to extend the same benefits to the least-developed countries.

These initiatives together with such activities as the establishment of a trade facilitation office in