

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Preferential Arrangements Among Developing Countries Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussion at Fourth Meeting held on 10 April 1974

Prepared by the Secretariat

1. The fourth meeting of the Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries was held on 10 April 1974 under the Chairmanship of Mr. Amaury Bier (Brazil).
2. The draft agenda for the meeting contained in document CPC/W/7 was adopted.

Special meeting of the Committee of Participating Countries

3. The Chairman drew attention to the summary of the discussion at the first special meeting of the Committee held in November 1973 concerning possibilities for further expansion of trade among developing countries which was circulated in document CPC/S/2. He indicated that another special meeting of the Committee open to all interested developing countries had been scheduled to take place on 1 April. Because delegations needed more time to consider possible approaches for expanding the Protocol, it had been decided, however, to defer the special meeting.
4. Several members, in noting that the Protocol was open for accession to all developing countries, stated that use of the Protocol as a means for expanding trade among developing countries should not lose momentum. In this respect, it would be desirable to maintain contact with delegations which had attended the special meeting of the Committee with a view to encouraging them to make use of the procedures for accession discussed at the special meeting (CPC/S/1). These members considered that a further special meeting of the Committee of Participating Countries, to which non-participating countries would be invited, should be held in May 1974 in order to provide an opportunity for delegations to express their views regarding the possible utilization by their governments of the accession procedures. With a view to encouraging participation by as many delegations as possible in the next special meeting, the Chairman of the Committee, representatives from participating countries and the secretariat might contact delegations from interested developing countries. It was also suggested that the attention of the Informal Group of Developing Countries in GATT be drawn to the possibilities offered by the Protocol to expand trade exchanges among developing countries on a preferential basis and in this respect, to the intention to convene a further special meeting of the Committee of Participating Countries.

5. In summing up the discussion, the Chairman noted broad agreement that a special meeting of the Committee of Participating Countries, to which non-participating developing countries would be invited, should be convened if possible, during the month of May. Delegations attending this meeting would be expected to indicate their governments' views on the use of the procedures for accession to the Protocol contained in document CPC/S/1 and to put forward any specific suggestions they might have in this respect.

Enlargement of the scope of concessions among participating countries

6. In noting that the existing concessions had constituted only a first step towards the liberalization of trade among developing countries, several members supported the suggestion put forward by some delegations at the previous meeting of the Committee that negotiations might be initiated with the aim of enlarging the scope of the concessions among participating countries. These members expressed the hope that, in the long run, substantially all trade among the participating countries might come under the terms of the Protocol. Reference was also made to the need for expanding the trade of developing countries which had been recognized in the Tokyo Declaration and to the desirability of considering the reduction or elimination of non-tariff barriers, such as quantitative restrictions, among participating countries.

7. One delegation proposed that a new round of negotiations among participating countries should have the following objectives: (1) expansion of the product coverage of the Protocol; (2) improved tariff cuts on the products already in the schedule of concessions; and (3) where possible the elimination of other obstacles to trade among participating countries. To this end, interested participating countries might start bilateral consultations among themselves on a product-by-product basis, or on some other basis agreed by the parties concerned, as soon as possible. The results of such consultations would be notified to all participating countries through the secretariat.

8. Some members indicated a readiness to commence negotiations with other participating countries for increasing margins of preference and enlarging the scope of existing concessions, as well as for eliminating non-tariff barriers. However, some of these members expressed reservations on the timing of the proposed negotiations due to their preoccupation with other pressing problems in world trade and to the delay in ratifying the Protocol on the part of some signatory countries. In their view, a new round of negotiations among participating countries might be initiated after the completion of ratification procedures by all signatory countries and the termination of the technical preparatory work which might be required, hopefully not later than June 1975.

9. In referring to certain of the points raised, the representative of the secretariat suggested that because of the uncertainties generated by recent events, governments were undoubtedly in the process of reviewing their international trade relations in the light of balance of payments and other

questions. It would seem that, as part of an overall approach to commercial policy, it might be appropriate to consider the exchange of further concessions in the framework of the Protocol with the objective of increasing trade among developing countries. Participating countries might utilize the procedures and steps outlined in document CPC/S/1 to explore the possible exchange of additional concessions among themselves. They might start by examining their lists of exports in order to identify products, other than those included in the schedule of concessions attached to the Protocol, on which it might be worthwhile exploring the possibilities of expanding exports to the markets of other countries participating in the arrangement. Lists containing the results of the examination could be completed within three months, that is by the time of the next meeting of the Committee. Information might then be compiled, with the assistance of the secretariat, on the nature of the problems confronting the products appearing in those lists in the import markets of other developing countries, in order to determine whether it might be feasible to explore the possible exchange of concessions.

10. Referring to the proposals to consider possibilities of exchanging concessions on non-tariff barriers, the representative of the secretariat said that the secretariat could list the items appearing in the mutual trade of developing countries which attracted quantitative restrictions and other relevant non-tariff barriers. This had been done at the time the Protocol itself was negotiated and the secretariat could review and update the information.

11. In summing up the discussion, the Chairman noted that members generally supported the proposal to enlarge the scope of the concessions contained in the Protocol. In this connexion, there was substantial support for the suggestion that participating countries should begin preparations for a new round of trade negotiations. For this purpose, members would no doubt keep in mind the procedures suggested in secretariat note CPC/S/1 and may be ready to discuss this matter further at the next meeting of the Committee. As to action on non-tariff barriers, members may also wish to seek advice from capitals prior to the next meeting, so that further consideration could be given to this aspect.

Ratification of the Protocol

12. The Chairman suggested that pending ratification it might perhaps be possible for countries which had not completed ratification procedures to implement the concessions in the Protocol on a de facto basis. The representative of Chile stated that his Government had completed the ratification of the Protocol and that the instrument of ratification would be submitted shortly. The representative of Greece stated that the Protocol had been submitted to the Council of Ministers for ratification. The process of ratification was expected to be concluded in about one month's time. The representative of Mexico said that congressional ratification of the Protocol had been completed on 7 March 1974, but that executive action was still pending. The representative of Uruguay said that ratification by his country was still pending. Application of the Protocol on a de facto basis was not possible in Uruguay due to the lack

of legal authority by his country's administration. The representative of the Philippines stated that some progress had been made towards the completion of ratification by his country.

13. The Committee urged those countries which have not yet completed ratification procedures to make every effort to do so at an early date.

Certification of origin

14. The Chairman recalled that at the last meeting of the Committee, participating countries and countries that had signed but not yet ratified the Protocol had been asked to supply to the secretariat the information needed for the preparation of a consolidated document on the rules and certification of origin. As some information was still pending, the Committee reiterated its appeal for prompt submission of all necessary details by the countries concerned.

15. The representative of Turkey said that substantially all the information concerning his country appeared in document INT(73)11/Add.13 and that the remaining stamp impressions would be supplied soon.

16. It was also recalled that at the last meeting of the Committee, participating countries had been requested to communicate to the secretariat by the end of March, details of any problems concerning certification of origin which they might have experienced in their trading relationships under the Protocol. No information had so far been received. Participating countries were invited to communicate any relevant information to the secretariat by the end of May, keeping in mind that such details would be required for the review of the rules of origin provided for in paragraph 5 of Annex A of the Protocol.

Reporting procedures for annual review

17. The Committee took note that the first report to the CONTRACTING PARTIES on the operation of the Protocol was due in 1974 and decided that participating countries should submit to the secretariat by mid-September details if available on imports of the items included in the list of concessions, as suggested in document CPC/W/6. This would make it possible to present the Committee's report to a meeting of the Council prior to the thirtieth session of the CONTRACTING PARTIES.

Election of officers

18. The Chairman recalled that under the procedures adopted by the Committee in May 1973 (CPC/1), the Chairman and Vice-Chairman would be appointed on an alphabetical country rotation basis, using the French language, for a period of six months. Egypt, Israel, Pakistan and Tunisia indicated that they would not wish to assume the Chairmanship or the Vice-Chairmanship of the Committee. Accordingly, the next Chairman would be provided by Spain and the Vice-Chairman by India.

19. The representative of Spain Mr. H. Villar, assumed the Chairmanship of the Committee for the forthcoming period.

Next meeting

20. It was agreed that the date of the next regular quarterly meeting of the Committee would be established by the Chairman in consultation with delegations.