

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CPC/24

6 August 1975

Special Distribution

---

## Preferential Arrangements Among Developing Countries Negotiated in GATT

### COMMITTEE OF PARTICIPATING COUNTRIES

#### Summary of Discussions at Ninth Meeting Held on 10 July 1975

#### Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its ninth meeting on 10 July 1975 under the Chairmanship of Mr. H.J. Choi (Republic of Korea).
2. On behalf of the Committee, the Chairman welcomed the representative of Paraguay to the meeting for the purpose of exchanging views with members under item 1 of the Agenda dealing with enlargement of the Protocol.
3. The draft agenda for the meeting, contained in document CPC/W/19 was adopted.

#### Enlargement of the Protocol

4. Referring to document CPC/W/22 concerning recent developments in relation to the enlargement of the Protocol, the Chairman suggested that the Committee might commence its work with the request for accession without negotiations by Paraguay, pursuant to paragraph 14 of the Protocol. The Committee could then consider developments in the process of exploring the possibilities of accession by Romania, Sri Lanka and Iran in accordance with the procedures established in document CPC/S/1 followed by a discussion of the situation with respect to Bangladesh, the Dominican Republic and Madagascar which had been invited to indicate their interest in exploring the possibilities for accession to the Protocol.

#### Paraguay

5. The Chairman recalled that the Committee had decided, at its last meeting, to invite the representative of Paraguay to attend the present meeting for the purpose of exchanging views with members on the application for accession without negotiations

by Paraguay. He noted that in accordance with paragraph 14 of the Protocol, an applicant country may accede to the Protocol without carrying out negotiations for an exchange of concessions on terms agreed with the Committee. A secretariat note, circulated as CPC/W/21, indicated possible terms and conditions which might be appropriate where countries apply for accession to the Protocol without negotiations taking into account that such applications may need to be considered on a case-by-case basis.

6. The representative of Paraguay thanked those members which had supported his country's application for accession without negotiations at the last meeting of the Committee and for the opportunity to exchange views with the Committee. He stated that Paraguay fully shared the principles concerning co-operation among developing countries contained in the Preamble to the Protocol. For historical and geographical reasons, the economic situation of Paraguay when compared to that of other Latin American countries was unique. As a land-locked country situated more than 1,000 kms. from the nearest seaport, Paraguay's exports which were basically confined to agricultural products in their raw form or in the initial stages of processing faced extensive transport costs and difficulties in competing in foreign markets. This particular situation had resulted in the Latin American Free Trade Association granting Paraguay the status of "least developed country" entitled to special treatment in the regional arrangement. Paraguay hoped and expected that participating countries would be able to agree to his country's application for accession without negotiations to the Protocol and on terms of accession consistent with Paraguay's present and future development, financial and trade needs as well as past trade developments.

7. Members of the Committee, noting the statement by the Paraguayan representative and the information provided, generally expressed their support for Paraguay's request for accession without negotiations to the Protocol.

8. Several members also indicated their general agreement with the points relevant to the consideration of possible terms and conditions where countries applied for accession without negotiations to the Protocol contained in document CPC/W/21 and suggested their incorporation into a draft Protocol for the accession of Paraguay.

9. One member asked for clarification of the meaning of the expression "the acceding country shall not have any direct rights with respect to those concessions" in paragraph 3(c) of CPC/W/21. The representative of the secretariat said that in the case of withdrawal or modification of concessions by a participating country or in the case of emergency action on imports of particular products referred to in paragraphs 9 and 13 of the Protocol, a country which had acceded without carrying out negotiations for an exchange of concessions, even if it were a substantial supplier of the product or products affected, would not be entitled to enter into renegotiations with the country withdrawing or modifying concessions

nor would it have the right to adopt retaliatory measures in the event of emergency action on imports of particular products. In connexion with paragraph 3(h) of CPC/W/21 which suggests the provision of a time-limit for the duration of accession without negotiations to the Protocol, it was noted that the period would depend, inter alia, upon the special situation of the acceding country as viewed by the Committee. As time went by, it could be hoped that circumstances might make it possible for the acceding country to enter into negotiations with participating countries with a view to making tariff concessions. One member of the Committee suggested that an initial two-year period for accession without negotiations renewable for two additional years might be appropriate in the case of Paraguay.

10. In his summing up of the discussion, the Chairman said that in the light of the statement made by the representative of Paraguay there was general agreement to the Paraguayan application for accession without negotiations as provided for in paragraph 14 of the Protocol. The Committee asked the secretariat to prepare and circulate a draft Protocol for the accession of Paraguay for discussion at the next meeting of the Committee with the delegation of Paraguay with a view to reaching agreement on the instrument of accession. Some members noted that, as mentioned in the secretariat document, further applications for accession without negotiations would also need to be considered on their merits on a case-by-case basis.

Countries having expressed interest in exploring possibilities for accession

11. The Chairman recalled that a summary of developments with respect to countries having expressed interest in exploring the possibilities for accession to the Protocol (Romania, Sri Lanka and Iran) was contained in paragraphs 7-12 of document CPC/W/22. He noted that, as requested by the Committee, the delegations of Romania, Sri Lanka and Iran had been invited to indicate whether their authorities might soon be in a position to take a decision on applying for accession to the Protocol, thus opening the way for the negotiation of concessions with interested participating countries. The delegation of Sri Lanka had indicated to the secretariat that the matter was under consideration by the Sri Lankan Government. No comments had been received from the delegation of Iran which is apparently in the process of examining the additional information relating to the Protocol it had requested from the secretariat. The Romanian delegation has indicated that the product lists submitted by his country could be the subject of exploratory discussion between Romania and the relevant participating countries.

12. Several members of the Committee which had not so far initiated an exchange of information as provided for in document CPC/S/1 confirmed their interest in participating in the procedures for exploring possibilities for the accession of Romania, Sri Lanka and Iran to the Protocol. The delegations of Mexico and the Philippines said that they would shortly submit lists of products for which they would like to explore possibilities for concessions in the markets

of the countries interested in accession. Other members indicated that the delay in submitting lists of products of export interest and providing information on relevant tariffs, trade data and trade regulations did not reflect a lack of interest on their part but was due to the heavy work programme faced by small delegations and their capitals in connexion with the multilateral trade negotiations.

13. In taking note of recent developments in the light of the programme agreed to by the Committee at its last meeting for exploring possibilities for an exchange of concessions with Romania, Sri Lanka and Iran, the Committee expressed the hope that in response to the enquiry by the secretariat these three countries would soon be in a position to make a formal application for accession as provided for in paragraph 14 of the Protocol. In the meantime it was expected that the process of exchanging information would continue and consultations in this respect could be initiated between interested countries.

Communications to Bangladesh, the Dominican Republic and Madagascar

14. At its April meeting, the Committee agreed that the delegations of Bangladesh, the Dominican Republic and Madagascar be invited to indicate whether their countries would wish to explore the possibilities for accession to the Protocol in accordance with the procedures outlined in CPC/S/1. The Chairman said that a communication had been sent to the delegations concerned enquiring whether, in the light of the information provided by the secretariat, their authorities would be interested at this stage in exploring the possibilities for accession under the relevant procedures. In response to this communication, the delegations of Bangladesh and the Dominican Republic had said that the matter was under active consideration by their authorities and that their reactions might be expected in the near future. No response had been received from the delegation of Madagascar.

15. One member of the Committee suggested that it might be useful to draw the Protocol to the attention of other developing countries. In this respect the representative of the secretariat recalled that as a consequence of the special meetings of the Committee held in November 1973 and March 1974 to which all developing countries had been invited a number of countries had initiated procedures for exploring the possibilities of accession to the Protocol or had sought information from the secretariat with a view to considering the possibilities of accession in the light of their particular interests. The submission of the annual report to the Committee on Trade and Development later in the year would also provide an opportunity to interest other developing countries in the Protocol.

16. The Committee took note of the preliminary responses from the delegations of Bangladesh and the Dominican Republic and requested the secretariat to keep it informed of further developments with respect to this matter.

Review of the situation of countries that have not yet ratified the Protocol

17. The representative of the Philippines informed the Committee that the ratification of the Protocol by his Government was in the final stages. The Committee asked the secretariat to keep in touch with the three countries (Peru, Philippines and Uruguay) which have not yet completed ratification procedures and to report to the Committee, at its next meeting, any developments which might have taken place in this respect.

Annual report

18. The Chairman recalled that in accordance with the Decision of the GATT CONTRACTING PARTIES of November 1971, participating countries were required to submit an annual report on the operation of the Protocol. The first annual report of the Committee of Participating Countries (L/4091 and Addenda) was submitted to the thirtieth session of the CONTRACTING PARTIES which endorsed a proposal by the Council that future reports should be first discussed by the Committee on Trade and Development. The next session of the Committee on Trade and Development is expected to be held towards the end of October 1975. To facilitate the preparation of the second annual report, the secretariat has summarized the main points relevant to reporting procedures in document CPC/W/20 to which is attached a draft pro forma for the provision of statistical information.

19. The Committee agreed that, in order to allow sufficient time for the preparation and finalization of the report by the Committee at its September 1975 meeting, participating countries should forward to the secretariat all the necessary data as soon as possible, and, in any case, no later than 12 September 1975. For comparative purposes, the tabulations should cover, to the extent possible, the calendar or fiscal years 1972, 1973 and 1974. The information supplied by individual participating countries might be accompanied by a short description of developments related to the application of the Protocol. For convenience, this material would be collated by the secretariat together with relevant information on the "objectives and considerations" related to the Decision of November 1971.

Other matters

20. The Chairman drew the attention of the Committee to the discussions at the April meeting of the Group "Tropical Products" when it was agreed, inter alia, that tropical products may be the subject of negotiations between developing countries in accordance with special arrangements or procedures which have been or may be accepted for such negotiations. It had been suggested both at the April and June meetings of the Group "Tropical Products" that the Protocol could be considered as a special arrangement where negotiations among developing countries on tropical products could take place.

21. The Committee took note of the procedure for negotiations among developing countries on tropical products adopted in the Group "Tropical Products" and agreed that it would revert to this matter as circumstances warranted.

Next meeting

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