

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CPC/30

19 November 1975

Special Distribution

Preferential Arrangements Among Developing Countries Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Tenth Meeting held on 13 and 17 October 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 tenth meeting on 13 and 17 October 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 on the question of Paraguayan accession.
3. The Chairman referred to a communication from the UNCTAD Secretariat indicating its wish to be represented at meetings of the Committee of Participating Countries. The Committee agreed to invite the UNCTAD Secretariat to attend the present meeting of the Committee as an observer and decided to revert to this matter at its next meeting.
4. The draft agenda for the meeting contained in document CPC/W/25 was adopted.

Accession of Paraguay

5. The Chairman recalled that at the last meeting of the Committee, there was general agreement to the Paraguayan application for accession without negotiations as provided for in paragraph 14 of the Protocol. A note prepared by the secretariat containing a draft Decision and a draft Protocol for the Accession of Paraguay for consideration by participating countries had been circulated as CPC/W/23. An information note on accession formalities in GATT (CPC/W/28) was also circulated at the request of some delegations.
6. The representative of Paraguay explained the background to his Government's interest in acceding to the Protocol Relating to Trade Negotiations Among Developing Countries, noting that the draft Protocol for Accession of Paraguay was acceptable to his Government. The Paraguayan statement is reproduced in the Annex.

7. Members of the Committee, recalling that applications for accession to the Protocol would be considered on a case-by-case basis, generally supported Paraguay's application for accession on the basis that the Protocol of Accession should be valid for a period of three years from the date of its entry into force. Some members expressed the hope that Paraguay might be able to enter into negotiations with participating countries for an exchange of concessions at an appropriate time. One member said that his authorities had indicated a wish to enter into negotiations with Paraguay for an exchange of concessions in the context of Paraguay's application for accession.

8. After examining the drafts contained in CPC/W/23, the Committee approved the texts of the Decision and Protocol for the Accession of Paraguay as amended and agreed to put the Decision to a vote by participating countries in accordance with paragraph 4 of the Protocol Relating to Trade Negotiations Among Developing Countries. In agreeing that the vote would be carried out by postal ballot, participating countries were urged to cast their votes as quickly as possible.¹

Romania, Sri Lanka and Iran

9. The Chairman recalled that, at its previous meeting, the Committee had expressed the hope that Romania, Sri Lanka and Iran 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 the process of exchanging information had been proceeding and, as indicated in paragraph 3 of CPC/W/24, the delegation of Romania had expressed its wish to enter into exploratory consultations with the countries indicated in its communications CPC/11, CPC/23 and CPC/23/Add.1 during the last week of October. In this respect, Romania had recently provided commercial policy information and import data in relation to products identified by those participating countries with which it had expressed interest in exploring possibilities for exchanging concessions.

10. In the light of the arrangements agreed to at the eighth meeting of the Committee concerning the programme for exploring possibilities for exchanging concessions with Romania, those participating countries which had exchanged information with Romania were urged to use their best endeavours to participate in the exploratory consultations with Romania. To this end, it was suggested that delegations should inform the secretariat of their intention as soon as possible.

¹The texts of the Decision and Protocol of Accession (CPC/29) were enclosed with the ballot papers.

11. With respect to the procedures for exploring possibilities of accession to the Protocol by Sri Lanka and Iran, the Chairman stated that Sri Lanka and participating countries were continuing to exchange product lists together with pertinent information on commercial policy and trade flows. Iran had not yet submitted a list of products of export interest, even though a number of participating countries had already indicated products of export interest to them in the market of Iran. A copy of the General Export-Import Regulations of Iran for the year 1975-1976 had been transmitted by Iran to each of these delegations and a copy was available in the secretariat for consultation by other participating countries.

12. The Committee took note of recent developments with respect to the procedures for exploring the possibilities of accession to the Protocol by Romania, Sri Lanka and Iran and asked the secretariat to keep it informed of the progress being made towards accession by these countries.

Dominican Republic

13. The Chairman said that by a recent communication circulated in CPC/28, the representative of the Dominican Republic had informed the Committee of his Government's desire to explore possibilities for accession to the Protocol in accordance with the agreed procedures. The Dominican Republic was expected to submit a list of products of export interest in the markets of participating countries at an early date.

14. Members of the Committee welcomed the interest shown by the Dominican Republic in the Protocol Relating to Trade Negotiations Among Developing Countries. The Committee asked the secretariat to acknowledge the communication from the Dominican Republic indicating that the Committee looked forward to receiving the list of products of export interest to the Dominican Republic and to exchanging information leading to negotiations for an exchange of concessions in accordance with the procedures outlined in document CPC/S/1.

Bangladesh

15. The Chairman recalled that the representative of Bangladesh had, in a communication circulated as CPC/26, indicated the desire of his country to accede to the Protocol pursuant to paragraph 14 thereto without carrying out negotiations for an exchange of concessions. A background note (CPC/W/27), prepared by the secretariat, with the assistance of the delegation of Bangladesh contained information on the tariff and trade régime of Bangladesh, as well as statistical data on exports and imports.

16. Members of the Committee generally welcomed the application of Bangladesh. Some representatives said that, as provided for in paragraph 14 of the Protocol, their authorities had examined Bangladesh's application and were ready to consider the request for accession to the Protocol without carrying out negotiations for an exchange of concessions, on terms to be agreed by the Committee. Other representatives, in also welcoming Bangladesh's request, stated that their authorities had not had sufficient time to consider the application. Some members felt that possible terms of accession required further examination and suggested that the Committee should revert to the matter at its next meeting. One member again recalled that applications for accession should be considered on their merits and on a case-by-case basis. He suggested that after the expiration of the time period to be provided in any Protocol for Accession without negotiations, the acceding country or countries should consider the possibility of entering into negotiations for an exchange of concessions with participating countries. Another member, who also welcomed Bangladesh's application for accession, stated that his Government may wish to discuss the possibilities of exchanging concessions with Bangladesh and to this end may wish to submit a list of products of export interest to his country in the market of Bangladesh.

17. The Committee asked the secretariat to prepare and circulate a draft Decision and a draft Protocol for the accession of Bangladesh for consideration at its next meeting. The Committee decided to invite the representative of Bangladesh to attend that meeting for the purpose of exchanging views with members of the Committee on the application.

Other matters relating to enlargement

18. Several members of the Committee referred to the data and information contained in the draft Second Annual Report to the G.I.T CONTRACTING PARTIES (CPC/W/26), noting that even though trade among participating countries in items subject to concessions had increased, this trade was still relatively modest and continued to account for a small share of total imports of the products concerned by participating countries. Some members also referred to the discussions which had taken place in G.I.T and in other international organizations concerning the importance of promoting the expansion of trade among developing countries. In this connexion, it was suggested that as many developing countries had undertaken a comprehensive review of their trade relations and interests in their preparations for the multilateral trade negotiations, the detailed information so collected could also be put to good use in a further round of trade negotiations among developing countries. Some members suggested that it would be desirable to seek to expand membership of the Protocol and product coverage as well as the margins of preference through a new round of negotiations among developing countries which might also be considered as a contribution to the multilateral trade negotiations.

The possibility of negotiating linear tariff reductions in respect of major categories of developing country imports from other developing countries and the reduction or elimination of non-tariff measures among interested developing countries were also suggested.

19. The Committee took note of comments made by delegations with regard to enlargement of the Protocol and agreed to revert to this matter at its next meeting for the purpose of undertaking a detailed examination of the possibilities and scope as well as timing, of a further round of negotiations among developing countries.

Ratification of the Protocol

20. The Chairman said that since the previous meeting of the Committee, Uruguay had deposited its instrument of ratification. As indicated in CPC/27, the Protocol had entered into force for Uruguay on 11 September 1975. He noted that ratification remained pending in respect of Peru and the Philippines. The representatives of Peru and the Philippines said that ratification procedures by their countries might be completed in the near future. The Committee took note of the information conveyed by the representatives of Peru and the Philippines.

Annual report

21. The Chairman recalled that at its last meeting, the Committee had asked the secretariat to prepare a draft annual report to the CONTRACTING PARTIES to the General Agreement on the second year of operation of the Protocol. The draft Second Annual Report was circulated as CPC/W/26. In adopting the report¹, as amended in the light of the suggestions made by members, the Committee urged participating countries which had not done so to provide the necessary statistical information for inclusion in the third section of the document as soon as possible.

Other business

22. The Chairman referred to CPC/25 and said that a communication received from the Government of Mexico (L/4210) had been brought to the attention of participating countries. The communication referred, inter alia, to the adoption of a new General Import Tariff by the Mexican authorities. A copy of the new schedule was available in the secretariat for consultation by delegations. The Committee took note of the Mexican communication.

¹Issued as L/4238 and Add.1.

23. The Chairman said that a communication submitted by Uruguay, issued as CPC/27, contained the schedule of concessions granted by Uruguay within the framework of the Protocol taking into account the updating of the new tariffs in accordance with Decree No. 248/975. The Committee took note of the communication received from Uruguay.

Rotation of officers

24. The Chairman said that in accordance with the rules of procedure contained document CPC/2, his term of office had come to an end. He expressed his appreciation for the support which delegations had given him in guiding the activities of the Committee during his tenure of office and the co-operation provided in the efforts being made to bring about the enlargement of the Protocol. The representative of Turkey, Mr. I. Parman, assumed the Chairmanship of the Committee for the forthcoming period, the Vice-Chairman being the representative of Uruguay.

Next meeting

25. 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.

ANNEX

Statement by the Delegation of Paraguay

On behalf of the Government of the Republic of Paraguay, I should like to express my satisfaction at participating in this meeting of the Committee for the purpose of finalizing the arrangements for my country's accession to the Protocol Relating to Trade Negotiations Among Developing Countries.

My satisfaction is all the greater in seeing that I am surrounded by representatives, all from friendly countries, with which Paraguay maintains excellent relations.

May I on this occasion express my country's great interest in joining the sixteen friendly countries which have signed the Protocol, as one more effort being made to overcome the obstacles hampering its economic development. In this respect I should like to underline that there is a great difference between Paraguay's degree of development and that reached by the other countries represented here. This difference is reflected in a per capita income level that is substantially lower, and also in the relatively small volume of our foreign trade.

My country's situation of under-development is attributable to many circumstances, inter alia its land-locked position, with no seashore, implies substantial additional costs for freight and trans-shipment over 1,500 kilometres of inland waterways between the capital and seaports. In the light of these circumstances, Paraguay has been recognized by LAFTA as being a "relatively less-developed country". Accordingly, more highly-developed countries that are members of that regional organization grant tariff and non-tariff advantages to Paraguay, in a spirit of co-operation and brotherhood that my Government appreciates to the highest degree.

In connexion with my Government's expressed desire to accede to the Protocol, we are well aware that in the short term this does not mean that we are in a position to avail ourselves of the tariff concessions granted by the other countries among themselves, still more in the case of trade links with countries farther away. But Paraguay is equally convinced that its accession to the Protocol will mark the starting-point of a promising flow of trade with the other signatory countries.

Mr. Chairman, members of the Committee of Participating Countries, it only remains for me, in the name of my Government, to express my thanks for having given me an opportunity to make this brief statement. I am glad to know that

the members of the Committee are favourably disposed toward Paraguay and I hope, therefore, that a favourable decision will be forthcoming on my country's application to accede to the Protocol Relating to Trade Negotiations Among Developing Countries.

In this connexion, I should like to express my heartfelt appreciation to those members of this Committee who have spontaneously supported our accession - without negotiations - to the Protocol. Their attitude reflects a spirit of justice in full awareness of our real circumstances of under-development.

In conclusion, I should also like to express my gratitude to the Development Division of GATT which has been responsible for preparing the draft Protocol of Accession, the text of which deserves the unreserved approval of the Government of Paraguay.