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GENERAL AGREEMENT ON TARIFFS AND TRADE

Preferential Arrangements Among
Developing Countries Negotiated
in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussion at Nineteenth
Meeting Held on 30 January 1978

Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries, held its nineteenth meeting on 30 January 1978 under the chairmanship of Mr. A. Iranzo (Spain).
2. The draft agenda for the meeting circulated in document CPC/W/53 was adopted.

Accession of Romania

3. On behalf of the Committee, the Chairman welcomed the delegation of Romania which had been invited to the meeting for the purpose of taking up outstanding matters concerning the application for accession to the Protocol by Romania (CPC(SECRET)1). The Committee had before it in CPC/W/54 and Corr.1, a draft Decision and draft Protocol of Accession to which the schedule of concessions of Romania was attached.
4. In an introductory statement, the representative of Romania recalled that a number of participating countries had indicated they could accept Romania's accession to the Protocol on the basis of the offer of tariff concessions attached to Romania's application. As a result of the negotiations concluded recently with five participating countries, the Romanian offer had been modified to include tariff concessions with respect to seventeen additional items. For twelve items and sub-items already listed in CPC(SECRET)1, the preferential tariff reductions had been increased. No items covered by the initial offer had been excluded. The representative of Romania said that his country considered that these concessions would stimulate imports into Romania from participating countries.

His country believed that it was making an equitable contribution to the objectives of trade expansion among developing countries in the framework of the Protocol. Noting that Romania's application for accession to the Protocol reaffirmed its desire and will to intensify co-operation with developing countries, the Romanian representative said that the draft Decision and Protocol of Accession, circulated in CPC/W/54 and Corr.1, were generally acceptable to Romania. However, with a view to further precision and clarity his delegation had some suggestions to make with respect to the draft Protocol of Accession (CPC/W/54).

5. The Committee welcomed the statement made by the representative of Romania and the progress made since the last meeting towards completing the necessary procedures for accession. Recalling that his country had not been in a position to negotiate with Romania, one member expressed the hope that his country's interests might be taken into account by Romania in future negotiations which might take place in accordance with paragraph 6 of the Protocol. Another member, who had indicated that his country was prepared to accept Romania's accession to the Protocol on the basis of the original offer, said that his country would have been interested in additions to the Romanian offer through negotiations also involving additions to the existing schedules of participating countries.

6. In noting the Committee's procedure of examining requests for accession on a case-by-case basis, members of the Committee expressed the understanding that with the application of the Protocol by Romania as provided for in the Protocol of Accession, Romania's rights and obligations under the Protocol Relating to Trade Negotiations Among Developing Countries would be similar to those of participating countries. Members agreed to Romania's application for accession on the basis of the draft Protocol of Accession as amended and the schedule of concessions annexed thereto. One member said that because of the recent circulation of the draft Decision and draft Protocol of Accession, his delegation had no instructions on the matter under consideration.

7. The Committee approved the texts of the Decision and the Protocol for the Accession of Romania 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

¹The texts of the Decision and Protocol of Accession (CPC/43) were enclosed with the ballot papers.

Accession procedures

8. Pursuant to comments on certain technical points, as well as points of interpretation of the Protocol itself by some members, the Committee agreed to examine at the next meeting various matters relating to accession procedures under the Protocol on the basis of a background note to be prepared by the secretariat.

Ratification of the Protocol

9. The Chairman recalled that at its last meeting the Committee had taken note of the situation with regard to ratification of the Protocol by the Philippines and Paraguay. As there were no recent developments to report in this connexion, the Committee agreed that the matter be kept on the agenda so that members may revert to it at the next meeting.

Enlargement of the Protocol

10. The Chairman drew attention to document CPC/W/55 containing a progress report on the technical work being carried out by the secretariat in relation to enlargement of the Protocol and listing countries which had so far indicated their wish to participate in this work. Having regard to the continued importance of giving priority to matters relating to the multilateral trade negotiations, drafts of some of the technical country studies being undertaken by the secretariat to serve as a basis for assessing the prospects of a new round of trade negotiations among developing countries, were now in the process of being made available to the countries concerned and progress was also being made in the preparation of the trade matrices.

11. Some delegations which had recently received drafts of the technical studies of their countries for perusal, expressed satisfaction with the way the secretariat had approached this work. They indicated that any comments of a factual nature would be provided to the secretariat as soon as possible.

12. In response to points raised by some members, the representative of the secretariat, in noting the new and active phase of the multilateral trade negotiations, said that over the forthcoming period, he expected the secretariat would be fully engaged in providing technical assistance and servicing the various areas of the negotiations. However, the secretariat would endeavour to continue with the technical country studies to the extent

possible and perhaps be in a position to circulate some of these prior to the next meeting of the Committee. He suggested that in view of the stage reached with the country studies and the trade matrices, members of the Committee might also start to give some thought as to how and when interested non-CPC countries might be brought more actively into the exercise.

13. The Committee took note of the progress report on the collection of data, presented in CPC/W/55, and agreed to revert to matters relating to enlargement of the Protocol at its next meeting.

Five-year review of the arrangement

14. The Chairman recalled that paragraph 5 of the Protocol states, inter alia, that "not later than the end of the fifth year from the entry into force of this Protocol, the Committee (of Participating Countries) shall undertake a major review of the arrangements to determine whether they should be modified, enlarged or terminated". As the Protocol entered into force on 11 February 1973, such a review should be taken up before 10 February 1978. With respect to this matter, it was noted that at the January 1977 meeting of the Committee "there was a general consensus on the importance of a further round of trade negotiations at the appropriate time open to all developing countries which would cover tariffs and other trade measures in the framework of the Protocol" (CPC/38, paragraph 11). The Committee's previous deliberations on the future of the Protocol already implied the general belief of members that it should be enlarged. In this respect, it was also noted that the technical country studies for participating countries being undertaken by the secretariat to serve as a basis for assessing prospects of a new round of negotiations among developing countries, could be available prior to the next regular quarterly meeting of the Committee, other circumstances permitting, and these could also be helpful for the purpose of the review envisaged in paragraph 5 of the Protocol. In addition, it was noted that in accordance with the Decision of 26 November 1971 concerning implementation of the Protocol, the CONTRACTING PARTIES to the General Agreement, after five years of operation of the Decision, will carry out a major review in order to evaluate its effects. This major review was thus due during the period February 1978-February 1979. Having regard to the review to be carried out by the Committee of Participating Countries in accordance with paragraph 5 of the Protocol, the most appropriate time for the major review by the CONTRACTING PARTIES might be in conjunction with the examination of the fifth annual report of the Committee of Participating Countries to the CONTRACTING PARTIES to be submitted in October-November 1978.

15. Recalling recent discussions by the Committee on the question of enlargement of the Protocol and the review of the arrangement carried out in connexion with the annual reports submitted to the CONTRACTING PARTIES to the General Agreement, members of the Committee who spoke on this item felt that there was no question of terminating the arrangement. Possibilities for enlargement were currently under consideration, taking into account the technical work presently being carried out by the secretariat. The question of the need for modifications to the arrangement, if any, should also be discussed by the Committee having regard to any suggestions interested members might wish to put forward. One member noted that at the present time, due to the accelerated pace of the MTN, his delegation would have some difficulty in contributing to any detailed review of the arrangement.

16. To help the Committee undertake its review, some members suggested that the secretariat might be invited to prepare a background note summarizing the main developments since the Protocol entered into force and drawing attention to any comments or suggestions made by members which could be relevant to the work in hand.

17. The Committee took note of the comments made by members and agreed to revert to the question of the five-year review of the arrangement at its next meeting having as background a note to be prepared by the secretariat along the lines mentioned above.

Next meeting

18. The Chairman said that in accordance with usual procedures, the date of the next regular quarterly meeting of the Committee would be fixed by the Chairman in consultation with members of the Committee and the secretariat.