

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CPC/45  
31 May 1978

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Preferential Arrangements  
Among Developing Countries  
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussion at  
Twentieth Meeting Held on  
28 April 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 twentieth meeting on 28 April 1978 under the Chairmanship of Mr. A. Iranzo (Spain).
2. The draft agenda for the meeting circulated in document CPC/W/56 was adopted.

Accession of Romania

3. The Chairman recalled that, at its January 1978 meeting, the Committee had approved the texts of the Decision and the Protocol for the Accession of Romania and had 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. The Decision was adopted by the required two-thirds majority of participating countries on 3 March 1978. On 10 March the representative of Romania had signed, subject to ratification, the Protocol for the Accession of Romania which will enter into force thirty days after the deposit of the Romanian instrument of ratification. As provided in its paragraph 4, the Protocol for the Accession of Romania was open for signature by participating countries.
4. Members of the Committee indicated their satisfaction with the progress made in completing the procedures required for the accession of Romania to the Protocol. As is customary, the Committee agreed to invite the representative of Romania to participate in the activities of the Committee pending the completion of ratification procedures and expressed the hope that those procedures would be completed in the near future.

Enlargement of the Protocol

5. In the context of the technical work being undertaken by the secretariat to enable interested developing countries to consider the possibilities of a further round of trade negotiations among developing countries with a view to enlarging the scope, coverage and membership of the Protocol, the secretariat had made available shortly before the meeting a series of trade matrices (LDC/TS/1) showing trade between individual developing countries on the basis of categories and sub-categories of products and country studies for Spain, Bangladesh and the Republic of Korea (LDC/TS/2-4). These documents had also been provided to other countries taking part in the exercise.

6. It was noted that work on the country studies was continuing in the secretariat without detracting from the priority being given to the multilateral trade negotiations. Members also noted from the trade matrices document that the secretariat intended to undertake a more detailed examination of the available information as the work progresses, with a view to identifying the conclusions relating to possibilities for the expansion of trade among developing countries that may be drawn.

7. By way of preliminary comment, some members commended the work being undertaken by the secretariat and expressed the hope that this phase of the programme would be completed as expeditiously as possible. A suggestion was made that after the multilateral trade negotiations were concluded the technical assistance services of the secretariat might be utilized to help developing countries participate more actively in matters dealing with enlargement of the Protocol.

8. Recalling that the MTN were expected to be concluded in 1978, several members supported a proposal to focus the 1979 GATT commercial policy courses on the question of trade negotiations among developing countries. It was also proposed that a brochure on the Protocol similar to the one entitled "GATT - What it is - What it does" might be prepared and circulated for the information of developing countries and of interested trade bodies and international organizations. Some of the conclusions drawn from the technical studies being undertaken by the secretariat might also be summarized in such a publication.

9. The representative of the secretariat, in response to a number of points raised, stated that it would be necessary to focus, at the appropriate time, on the techniques and modalities of negotiations on tariffs and non-tariff measures among developing countries designed to promote larger and more

broadly based trade exchanges among developing countries, keeping in mind the significant developments which have occurred in many such countries since the initial round of negotiations took place. It was to be expected that tariff and non-tariff measures negotiations among developing countries could be accompanied, pari passu, by negotiations in other related areas, such as shipping links and freight rates, questions relating to marketing, export financing, payments, banking and credit systems, etc. in whatever negotiating framework existed or could be established in these areas. The secretariat was maintaining contacts with the ITC with a view to taking into account the marketing situation and possibilities of commodities that may be subject to negotiation. The suggestions made by some members with respect to the GATT commercial policy courses and the publication of a brochure describing the Protocol would be considered in the secretariat to see what could be done in this respect.

10. The Committee took note of the information on the collection of data and agreed to revert to this and other matters related to enlargement of the Protocol at its next meeting.

#### Five-year review of the arrangement

11. The Chairman stated that the Committee had agreed to revert to the question of the five-year review of the arrangement at the present meeting, having as background a note by the secretariat (CPC/W/58), summarizing the main developments since the Protocol entered into force and drawing attention to comments or suggestions made by members which could be relevant to the work in hand. He recalled that at the last meeting, some members in offering preliminary comments with respect to the five-year review of the arrangement, had stated their belief that there was no question of terminating the arrangement. They had emphasized the need to accelerate the process of enlargement through a new round of negotiations among developing countries.

12. In referring to the secretariat background note, some members noted that the Protocol had no time-limit. A review of the arrangements under the Protocol pursuant to paragraph 5 led them to the conclusion that the expansion of trade among participating countries might have been more successful if closer attention had been given by all concerned to the fuller utilization of existing possibilities provided by the Protocol for preferential trade among developing countries. This should be one of the matters to be taken up in any new round of trade negotiations among developing countries.

13. In reviewing developments since the Protocol had entered into force, members of the Committee who spoke on this matter reiterated the importance of continuing the arrangements under the Protocol and of embarking on a new round

of trade negotiations open to all developing countries in the framework of the Protocol. A number of points were raised, which some members felt could be usefully taken up at a future meeting of the Committee. These included the question of time limits established in the protocols of accession where countries acceded without negotiations (CPC/W/58, paragraph 6); the possible implementation of concessions on a de facto basis by countries which have not completed ratification procedures (CPC/W/58, paragraph 10); the possible amendment of paragraph 4 of the provisional rules of procedure of the Committee (CPC/2), and the proposal to put such rules on a more permanent basis; consideration of the question of derestriction of CPC and CPC/W documents (CPC/W/58, paragraph 13); and any proposals which might be made for modification of the Protocol (CPC/W/58, paragraph 37).

14. In the light of the five-year review of the arrangements in accordance with the provisions of paragraph 5 of the Protocol, the Committee agreed that a major element of its future work programme should relate to enlargement of the Protocol in co-operation with all other interested developing countries.

#### Accession procedures

15. The Chairman recalled that the Committee had previously agreed to examine at the present meeting various matters relating to accession procedures under the Protocol on the basis of a background note to be prepared by the secretariat. Document CPC/W/57 described, in summary form, a number of issues relating to accession to the Protocol with or without negotiations, taking into account particular points raised and the discussions which have taken place on this subject at earlier meetings of the Committee.

16. In the course of the discussions on accession procedures, the multilateral character of the Protocol was stressed by some members. It was noted, for example, that when decisions stating that an applicant may accede to the Protocol on the terms set out in the relevant Protocol of Accession was adopted by the required two-thirds of the membership, it became binding on all participating countries with the exception of those invoking the non-application provision of the Protocol (CPC/W/57, paragraphs 8-11). Some members of the Committee felt that the information contained in CPC/W/57 would be most useful as a point of reference in the Committee's future activities when accessions were under consideration.

17. The Committee took note of the comments made by members and of the content of document CPC/W/57 which would be taken into account in the future work of the Committee dealing with accessions to the Protocol.

### Ratification of the Protocol

18. 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 might revert to it at the next meeting.

### Changes in the CCCN

19. Recalling that certain amendments to the CCCN were put into effect on 1 January 1978<sup>1</sup>, the Chairman said that if the introduction of these amendments to the tariff schedules of participating countries affected concessions in the respective schedules annexed to the Protocol, all relevant information relating to actions taken in this connexion should be provided to the Committee of Participating Countries. The Committee took note of this matter.

### Rotation of officers

20. The Chairman said that in accordance with the rules of procedure of the Committee, contained in document CPC/2, Spain's term of office had come to an end. He thanked delegations for their assistance and spirit of co-operation in carrying out the activities of the Committee and facilitating action aimed at the strengthening of economic development of developing countries through the enlargement of the arrangement. The representative of Greece, Mr. Alexandre Liontas, would assume the Chairmanship of the Committee for the forthcoming period, with the representative of India becoming the Vice-Chairman.

### Next meeting

21. 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.

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<sup>1</sup>See GATT document L/4649