

GENERAL AGREEMENT ON TARIFFS AND TRADE

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussion at Twenty-Third Meeting
Held on 19 March 1979

Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its twenty-third meeting on 19 March 1979 under the Chairmanship of Mr. K. Sandilya (India).
2. The draft agenda for the meeting circulated in document CPC/W/66 was adopted.

Enlargement of the Protocol

3. The Chairman drew attention to document CPC/W/67 which provided a brief resumé of the situation reached by the secretariat in its technical work and referred also to a number of points and suggestions raised in informal discussions which had taken place with both CPC and non-CPC countries since the previous meeting of the Committee. It was recalled that in the context of its technical work programme, the secretariat had provided to the Committee and other interested delegations, in November 1978, a progress report (Spec(78)26) containing, inter alia, some preliminary observations on certain tariff and non-tariff measure issues that appeared to be relevant to a further round of negotiations among interested developing countries, identifying also certain product areas of export interest at the inter-regional level to developing countries which might be among those that could be taken up in any such negotiations. The secretariat expected to be able to elaborate on these matters when it completed its current study programme over the next couple of months.
4. In response to questions raised by some members, the representative of the secretariat said that in line with the summing-up by the Chairman at the last meeting of the Committee, the secretariat had arranged for a series of informal consultations between interested delegations - both members and non-members of the

Protocol - to exchange views on the question of future work in the light of the technical background information circulated so far and related matters. Delegations had expressed the view that the technical material provided a broad picture of trade policy issues and trade flows which would enable their authorities to assess the prospects of a new round of trade negotiations among developing countries in the framework of the Protocol. In noting that considerable attention had been given in the studies to the questions of tariffs and non-tariff measures, as well as development plans, industrialization and market possibilities, delegations had suggested that in due course the secretariat might put together the overall conclusions to be drawn from this extensive material and prepare a paper outlining possible objectives, modalities and procedures for a new round of trade negotiations for consideration by interested delegations. Some delegations had suggested that once the MTN's were concluded and in the light of the secretariat's technical work, delegations should be in a position to take a decision on how to proceed in this area having regard to all relevant factors. However, with regard to timing the general feeling of those that spoke on this matter in the informal consultations was that a new round of trade negotiations should be initiated in 1979.

5. Several members reiterated views expressed at earlier meetings of the Committee and in the course of the informal consultations regarding their interest in the early launching of a new round of trade negotiations open to all developing countries in the framework of the Protocol. These delegations felt that the negotiations should be aimed at a substantial widening of both the product coverage and the scope of the existing concessions as well as enlargement of membership of the arrangement as a means of promoting mutual economic development and the strengthening of inter-regional economic co-operation among developing countries. It was also felt that such negotiations would bring about improvements to the trading situation of developing countries taking into account, inter alia, areas where insufficient progress had been made in the MTN. In addition, the negotiations would contribute, in a practical manner, to the restructuring of the world economy in line with the programme for the establishment of a new international economic order.

6. With regard to the question of objectives and procedures for the negotiations, most delegations were of the view that a new round of negotiations should cover both tariff and non-tariff measures. In this respect, approaches and procedures for negotiation should be sufficiently flexible to ensure maximum possible results. While some members considered in principle that a flexible linear approach for tariff negotiations and a request and offer procedure for non-tariff measure negotiations would be appropriate, some other members felt that an item-by-item approach covering both tariff and non-tariff measures would be more suitable for negotiations

among developing countries. Noting that it would not be necessary to agree on a uniform approach for all areas of any negotiations, some members suggested that, according to the nature of the issues, both formula and product oriented approaches could be used. Other possibilities would also need to be explored. Some members stated that the analyses being made by their authorities of possible approaches to such negotiations would be influenced by the conclusions reached on the results of the multilateral trade negotiations. It was proposed that the secretariat might prepare a note on possible negotiating objectives and procedures for consideration by members and other interested developing country delegations.

7. On the question of timing, some members were of the view that a new round of trade negotiations among developing countries should be initiated without delay. However, some other members while agreeing that the aim should be to launch a new round of trade negotiations among interested developing countries some time in 1979 said that it would first be necessary to agree on objectives, procedures and modalities for negotiations. Thus, the Committee might at its June meeting consider the necessary procedural decisions on the basis of proposals put forward by the secretariat and the views expressed by delegations at that time.

8. The Committee agreed to invite the secretariat to prepare and circulate to members and other interested developing country delegations a note outlining possible objectives, procedures and modalities for a new round of trade negotiations among developing countries which would cover tariffs and non-tariff measures in the framework of the Protocol. Such a note could be considered at the June meeting of the Committee and taken up shortly thereafter in a meeting with other developing countries. Such questions as timing and machinery for negotiations and arrangements for opening negotiations to the participation of all interested developing countries or groups of developing countries etc. would also be among the matters to be taken up at forthcoming meetings.

Brochure

9. In connexion with a request made at its twentieth meeting that information concerning the Protocol be given wide circulation, the Committee took note that the secretariat had arranged early circulation of a brochure describing the objectives, principles, main provisions and experience of the Protocol. The Committee was informed by the representative of the secretariat that the brochure also outlined the activities and work programme being undertaken with a view to exploring the scope for a new round of trade negotiations among developing countries.

Commercial Policy Courses

10. In connexion with paragraph 5 of CPC/W/67, the Committee took note that the time allocated in the current Commercial Policy Course to the question of trade negotiations among developing countries had been increased and that future Commercial Policy Courses were expected to give additional attention to this question.

Next meeting

11. 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.