

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CPC/59

16 March 1981

Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Twenty-Ninth Meeting
Held on 25 February 1981

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-ninth meeting on 25 February 1981 under the Chairmanship of Mr. H. Hyun (Republic of Korea).

2. The draft agenda circulated in document CPC/W/83 was adopted.

Accession of Argentina

3. The Chairman recalled that at the last meeting the Committee had taken note of developments in the light of the procedures that had been adopted to provide a basis for consultations and negotiations concerning the accession of Argentina to the Protocol. It was understood that contacts between Argentina and a number of participating countries had been taking place. He suggested that the Committee review developments and exchange views on matters of relevance to this agenda item.

4. The representative of Argentina said that since the last meeting of the Committee, his delegation had held bilateral consultations with a number of interested participating countries aimed at seeking clarification of requests concerning specific products of trade interest. In some cases replies were pending from the delegations concerned. Argentina had also to provide answers to a number of requests put forward by participating countries. As soon as the information required became available, the process of negotiation would be activated. Finally, the representative of Argentina reaffirmed his country's interest in completing procedures for accession to the Protocol at an early date.

5. Some members of the Committee welcomed the information provided by the representative of Argentina. One member, who participates in a regional trading arrangement with Argentina, expressed willingness to cooperate as necessary with participating countries which are negotiating with Argentina and, in this context, to provide information and facilitate a successful

enlargement of the schedules of concessions. Another member said that Argentina's accession could be expected to contribute to the effectiveness of the Protocol as an instrument for mutual cooperation among developing countries. These members stressed that they were looking forward to the full participation of Argentina in the Protocol. It was hoped that Argentina's decision would stimulate other developing countries to accede to the Protocol.

6. The Committee took note of developments with regard to the procedures for accession of Argentina to the Protocol and urged interested participating countries to intensify the negotiating process with a view to its early completion.

Expansion of trade among developing countries

7. The Chairman referred to the Summary of Discussions at the last meeting (CPC/58) and said that at that meeting the Committee had agreed to maintain this item on its agenda for future meetings. In the context of its technical work programme, the secretariat was in the process of extracting information with respect to trade flows among developing countries members of the Protocol from the statistical tabulations of exports and imports (LDC/TS/51), with a view to identifying complementarities in such trade. Having regard to the considerable diversification of production and trade in participating countries since the Protocol entered into force, for each Protocol country an attempt was being made to match data on its exports with recent imports by other Protocol countries of the same products, indicating concessions granted on particular items by participating countries. The Chairman said that the relevant tabulations were being handed over to the delegations concerned as soon as they became available. It was expected that the tabulations might provide a basis for participating countries to consider a more effective use of the arrangement and possible approaches to the expansion of their mutual trade.

8. Recalling the negative effect for developing countries of the conditions and uncertainties prevailing in international trade as a whole, members of the Committee stressed the importance of this agenda item and noted that the Protocol provided a permanent forum for the expansion of trade and negotiation of preferences among developing countries. Following an auspicious beginning, developments such as the MTN had caused a certain lack of attention towards the possibilities offered by the Protocol for trade expansion among developing countries. The time had come for participating countries, pursuant to the provisions of the Protocol, to analyze the scope and coverage of the existing concessions and initiate a process of exchange of information with other participating countries on items of export interest. In expressing positive support for this exercise, members noted that it would be aimed at increasing the overall effectiveness of the arrangement and giving impetus to the expansion of their mutual trade. Reference was also made to the possibility of negotiations among participating countries at the appropriate time. In addition, some members were of the view that these activities would also make a contribution to the success of related activities going on in other fora concerning economic cooperation and the establishment of global trade preferences among developing countries.

9. Several members of the Committee expressed appreciation for the technical work being carried out by the secretariat. The trade matrices

already circulated and the statistical tabulations being prepared would permit each participating country to review in the near future the effectiveness of the existing concessions and identify in concrete terms additional products of export interest in the markets of other participating countries. Interest was expressed in the completion of outstanding tabulations concerning reciprocal trading opportunities among participating countries. Having regard to the individual review of the concessions, participating countries, upon request, would be willing to provide information on tariffs, non-tariff measures and other trading conditions with respect to the items of export interest identified. They might also wish to seek from other participating countries relevant information concerning specific items. In the light of developments, interested participating countries would in due course envisage relevant follow-up action to the process of review of concessions and exchange of information. In this connexion, the desirability of having a time frame and the need to keep in mind the principles of mutual advantage as well as overall benefits to developing countries were also mentioned.

10. The Committee took note of the statements made by members concerning the review of the effectiveness of the concessions embodied in the Protocol and the exchange of information on products of mutual export interest and that delegations would be pursuing these matters further.

Next meeting

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