

GENERAL AGREEMENT ON TARIFFS AND TRADE

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Thirty-Fifth Meeting
held on 9 May 1983

Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its thirty-fifth meeting on 9 May 1983 under the Chairmanship of Mr. M. Olarreaga (Uruguay).
2. The draft agenda circulated in document CPC/W/97 was adopted.

Accession of Argentina

3. The Chairman referred to discussions at the last session of the Committee (CPC/67, para. 4) concerning Argentina's application for accession to the Protocol and invited delegations to comment on this matter. The representative of Argentina said that he had nothing new to report since the last meeting of the Committee. Any developments in this respect would be reported to the Committee promptly. He suggested that in the meantime the Chairman consult on the appropriate occasion to reintroduce this item in the agenda of the Committee. The Committee took note of this information and in agreeing to the Argentinian request urged interested participating countries to make every effort to bring the negotiations to a mutually satisfactory conclusion at an early date.

Expansion of trade among developing countries

4. The Chairman referred to paragraphs 5-7 of the Summary of Discussions at the last meeting (CPC/67). He recalled that in connexion with the review of the schedules of concessions of participating countries, the Committee had agreed that there was sufficient interest and support among participating countries for the review exercise to begin immediately and had decided that at the present meeting it would review progress made. As decided by the Committee, the secretariat had circulated a draft note on Procedures for review of the schedules of concessions.

5. Several members of the Committee indicated that the draft note by the secretariat on Procedures for review of the schedules of concessions was acceptable to them and could be adopted by the Committee. Comments made and questions raised by some members are summarized hereunder.

6. One member who supported the adoption of the procedures, in referring to paragraph 2 of the draft, noted that the reference to an item-by-item basis for the review of existing concessions should not exclude the exchange of additional concessions on a sectoral or across-the-board basis. It should therefore be understood that the formulation in the text did not prejudice recourse to other modalities of negotiation.

7. In response to clarifications sought by another member of the Committee, the representative of the secretariat said that the reference to complementarities in production and trade among participating countries in paragraph 2 of the draft reflected some of the considerations and objectives which participating countries had had in mind both in the negotiation and the implementation of the Protocol. With regard to the same paragraph, the fifth preambular paragraph of the Protocol stated that participating countries were mindful of the need to take into account the development, financial and trade needs of developing countries. He noted that a similar concept appeared both in Part IV of the General Agreement and more recently in the Enabling Clause Decision.

8. In response to a question concerning the meaning of paragraph 3 of the draft note, the representative of the secretariat said that the purpose of this paragraph was to allow participating countries if they so wished to include non-tariff measures in the negotiations. This was not a commitment nor an obligation. The text simply restated a possibility which appeared in paragraph four of the Preamble to the Protocol and was also reflected in the 1971 CONTRACTING PARTIES Decision. In this respect some members suggested that the secretariat might examine the legal implications of paragraph 2(c) of the Enabling Clause Decision in connexion with the mutual reduction or elimination of non-tariff measures in the context of the Protocol.

9. In response to another query, the representative of the secretariat said that questions relating to the balance or equilibrium of concessions could be raised at any time in the course of the review exercise. No participating country would be expected to make concessions if it were not satisfied that a balance of concessions had been achieved. Moreover, paragraph 6 of the procedures provided that the Committee of Participating Countries would supervise the conduct of the work, and periodically review progress made and take up any questions which might arise. In supporting this interpretation, one member said that it was expected that the equilibrium of concessions would be achieved through negotiations. It was also apparent that even after a balance had been achieved the situation might change as a result of new developments. Thus, the determination of complementarities in production and trade among the countries concerned was a notion worthwhile retaining for this exercise.

10. Another member expressed support for the initiative aimed at the expansion of the coverage of the Protocol and of the concessions. The procedures proposed by the secretariat, in his view, established a general framework for the exercise and more precise modalities would have to be worked out in due course as necessary.

11. At the request of one member, the Committee agreed to introduce the word "existing" at the beginning of paragraph 2 of the draft note.

12. The Committee adopted the "Procedures for review of the schedules of concessions" (document CPC/69) and took note of the statement summarized in paragraph 6 above.

Next meeting

13. The Chairman said that the date for the next quarterly meeting of the Committee, in accordance with usual procedure, would be fixed in consultation with delegations.