

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CPC/78
17 May 1985

Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Forty-First Meeting
held on 1 May 1985

Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its forty-first meeting on 1 May 1985 under the Chairmanship of Mr. A. de Aguiar Patriota (Brazil).
2. The draft agenda circulated in document CPC/W/111 was adopted with the addition under "Other business" of a statement by Spain concerning accession to the European Communities and the question of the accession to the Protocol of Argentina.

Expansion of trade among developing countries

3. The Chairman referred to paragraphs 3 and 4 of the Summary of Discussions at the last meeting (CPC/77). He recalled that at the last meeting the Committee had taken note of a suggestion put forward by one member proposing that without prejudice to activities in other fora, as an initial step aimed at activating and strengthening the Protocol, each participating country decide to liberalize, in the framework of the Protocol, the conditions of access for four or five items originating in other participating countries. The Committee had invited members to give serious consideration to this proposal and had agreed to revert to this matter at the present meeting.
4. Members expressed appreciation for this initiative aimed at increasing the effectiveness of the Protocol in promoting the expansion of trade among participating countries. Some members stated that a basic objective of their economic policy was to improve trade relations with other developing countries. Thus, an initiative which would strengthen the Protocol was worthwhile supporting. In response to some questions, the representative who had made the proposal recalled that members had acknowledged the need to make better use of the unique opportunity to expand trade exchanges among participating countries offered by the Protocol. He added that the formula proposed had been submitted in the context of the Committee's earlier decision to review the schedules of concessions of participating countries. This formula was, in his view, simple and easy to implement, i.e. each participating country would be expected to put forward on an

autonomous basis four or five items for which access would be liberalized in the framework of the Protocol. If members agreed to carry out the proposal, for individual participating countries the cost in terms of additional commitments or concessions would be minimal but the overall trade opportunities available to all the members of the Protocol would increase significantly. This member considered that the formula suggested constituted a practical starting point. At some future time, in the light of representations made by members, participating countries might agree to review the situation and make adjustments to the liberalized items either in terms of products or of the concessional treatment. However, at this point in time, the essential question was to give a thrust forward to the mutual trade of participating countries and to commence the process without delay. One member expressed the hope that all or at least practically all members might find it possible to support this initiative. A number of members noted that the proposal was currently being considered in capitals and said that reactions might be expected prior to the next meeting of the Committee. Some representatives suggested that with a view to assisting members the secretariat might highlight relevant aspects concerning the implementation of the initiative such as modalities for the selection and presentation of items, possible action by participating countries, etc. It was also suggested that, as an initial step, the Chairman should carry out informal consultations to consider the initiative further and decide how to move forward prior to the next meeting of the Committee.

5. The Committee took note of the views expressed by members and agreed to ask the Chairman to carry out informal consultations concerning the implementation of the initiative to liberalize access for four or five items in the framework of the Protocol and the question of assistance by the secretariat in this respect. The Committee agreed to revert to this matter at its next meeting.

Annual Report

6. The Chairman referred to paragraphs 5-11 of the Summary of Discussions at the last meeting (CPC/77). He recalled that at the last meeting the Committee had taken note of the comments and suggestions made by members with regard to the question of trade exchanges in concessional items among participating countries. In order to make it possible for the secretariat to revise the preliminary note on the evolution of trade among participating countries, the Committee had invited members who had not yet done so to provide the necessary statistical data as soon as possible. The Committee had also agreed to revert to this question at the present meeting. The Committee took note that up to now only one additional member, namely Uruguay, had provided the required statistical information.

Rules of Procedure

7. The Chairman referred to paragraphs 13-15 of the Summary of Discussions at the last meeting (CPC/77). He recalled that in the light of comments made by members with regard to the question of amending paragraph 1 of the Rules of Procedure of the Committee concerning the time period for service of officers, the Committee had agreed that the Chairman should carry out informal consultations and make a proposal at the next meeting of the Committee. The Chairman added that he had carried out consultations on an informal basis and had reached the conclusion that at the present time there was no convergence of views to amend paragraph 1 of the Rules of Procedure and extend to one year the time period for service by the officers of the Committee.

8. With reference to this agenda item one member said that his delegation would accept the extension to one year of the time period for the service of the Chairman and Vice-Chairman but had difficulties with the proposal to change the system of rotation as the basis for the selection of office-holders. Another member reiterated that his delegation would prefer to maintain the current system of selection of the Chairman and Vice-Chairman and the period for the duration of office unchanged. One member supported the views expressed by the Chairman. Some other members recalled that this proposal had arisen because their experience when serving as officers of the Committee had unequivocally shown that the six month time period was insufficient to get acquainted with the issues and pursue the basic objectives of the Protocol adequately. These members stated that in such a short time period it was practically impossible to develop any significant initiative. In their view the lack of continuity of the office-holders had hampered the work of the Committee. They also noted that one year was the normal time period for office-holders in various GATT Committees. Thus these members urged the Committee to agree to extend to one year the time period for the service of its officers. Finally, these members stressed that at this stage the only change in the Rules of Procedure under consideration related to the duration of the tenure of office and that the basis for the selection of the Chairman and Vice-Chairman would continue according to the current system of rotation.

9. In the light of the comments and suggestions made by members, the Committee agreed that the Chairman should carry out further informal consultations with regard to the question of extending to one year the time period for the service of the Chairman and Vice-Chairman. In the light of the outcome of these consultations, the Chairman would decide whether or not the matter should be considered by the Committee at its next meeting.

Statement by Spain

10. The representative of Spain recalled that some time ago he had informed the Committee that Spain was in the process of negotiating accession to the European Communities. He added that an agreement to that effect between Spain and the European Communities would be signed shortly. In accordance with this agreement Spain would adopt the trade legislation of the European Communities. Consequently, in conformity with the procedures provided for in paragraph 17 of the Protocol, the Spanish Government would in due course withdraw from the Protocol. In response to a question, the representative of Spain said that the Spanish schedule of concessions would be withdrawn when Spain ceased to be a participating country; he added that however Spain would be expected to apply the GSP scheme of the European Communities. The Committee took note of the statement made by the representative of Spain in connexion with the accession of Spain to the European Communities.

Accession of Argentina

11. The Committee took note that two members were considering the replies provided by the delegation of Argentina to the request lists which they had submitted to Argentina in connexion with accession to the Protocol.

Next meeting

12. The Chairman said that the date for the next meeting of the Committee would be fixed in consultations with delegations and the secretariat in accordance with usual practice.