

GENERAL AGREEMENT ON TARIFFS AND TRADE

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Forty-Second Meeting
held on 18 July 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-second meeting on 18 July 1985 under the Chairmanship of Mr. A. de Aguiar Patriota (Brazil).

2. The draft agenda circulated in document CPC/W/112 was adopted with the addition under "Other business" of a statement by Spain concerning accession to the European Communities.

Expansion of trade among developing countries

3. The Chairman referred to paragraph 5 of the Summary of Discussions at the last meeting (CPC/78) and reported on the outcome of the informal consultations held on 27 June 1985. He recalled that one member had suggested that without prejudice to activities in other fora, 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. This member had also requested the secretariat's assistance in outlining the procedural steps to implement this suggestion and in the identification of possible items for which the conditions of access might be liberalized. This member had also stressed that his country's proposal was a modality to implement the Committee's earlier decision to review the schedules of concessions of participating countries. The Chairman added that all members present at the consultations had expressed interest in the proposal and had supported the main thrust of the proposal. While some members had been ready to pursue the proposal, other members had said that they were still awaiting instructions from capitals. Certain members had stated that they would not be able to pursue the proposal at this time because at present their efforts were concentrated on the GSTP exercise which was being pursued in another forum. The Chairman noted that members had stated nevertheless that the exercise aimed at reviewing the schedules of concessions decided earlier by the Committee (CPC/69) could be pursued. Several members had also supported the proposal to request the assistance of the secretariat for the purpose of identifying items of interest to participating countries for which the conditions of access might be liberalized.

4. A number of members expressed support for the basic objective of this initiative to increase trade exchanges among participating countries in the framework of the Protocol. In this context reference was made to the possibilities offered by the procedures outlined in the Committee's 1983 decision to review and update the schedules of concessions of participating

countries (CPC/69). The representative who had made the proposal recalled that the Protocol was a fully operational arrangement which offered to members unique opportunities for the promotion of trade exchanges. He said that the initiative was aimed at the expansion of trade among participating countries and the strengthening of the Protocol. The formula suggested was, in his view, a simple and pragmatic starting point for carrying out the initial phase of the agreed procedures to review the schedules of concessions of participating countries. He suggested that the secretariat be asked to prepare a short listing comprising no more than some 100 items which might be considered by participating countries for the purpose of selecting the items for which the conditions of access might be liberalized. Criteria which might be used for the selection of items of possible interest to participating countries included the following: (i) main import and export items; (ii) main items currently being traded among participating countries; (iii) main items by volume of production; and (iv) items with prospects for increasing trade exchanges among participating countries. On the basis of this listing, in the initial phase, participating countries would choose four or five items for which conditions of access would be liberalized. Subsequently, interested participating countries might seek to adjust or expand the list of items chosen having regard to representations made by other interested participating countries.

5. Some members recalled that the proposal to liberalize the conditions of access for four or five items in the framework of the Protocol was being considered in their respective capitals. One member said that his delegation was unable to commit itself to this proposal due to current efforts in another body aimed at advancing certain ECDC activities. A number of members supported the suggestion to request the secretariat to prepare a short listing of items for which conditions of access might be liberalized in the framework of the Protocol. One member suggested that the secretariat consider in this respect relevant work undertaken for some participating countries by the International Trade Centre. Another member who also supported the suggestion to request technical assistance by the secretariat referred to the experience of trade negotiations in the framework of ALADI. In response to a question this member said that it was expected that the initial selection of items would be done by participating countries unilaterally having regard to their own perception of the principle of mutual advantage. However, at a later stage, other participating countries might choose to propose modifications or additions to the lists of items selected and to this effect pursue appropriate concertation. He stressed that the carrying out of the proposal under consideration would entail no commitment until participating countries had subscribed the legal instruments which might be required. One member said that both the procedure suggested which appeared to invite members to table initial contributions and later on to examine jointly the significance of such contributions as well as the use of the traditional request and offer procedure would be acceptable to his delegation provided that the two approaches did not exclude each other.

6. The Committee took note of the comments made by members and agreed to revert to this matter at its next meeting. The Committee also agreed to request the secretariat to prepare on the basis of available data a listing of items for which the conditions of access might be liberalized in the framework of the Protocol.

Annual Report

7. The Chairman said that a note on reporting procedures had been circulated as CPC/W/113. In order to allow sufficient time for the preparation and finalization of the Twelfth Annual Report of the Committee of Participating Countries at the September 1985 meeting, participating countries should submit to the secretariat all the necessary data as early as practicable and, in any case, not later than 10 September 1985. For comparative purposes, the statistical tabulations should cover, to the extent possible the calendar or fiscal years 1982, 1983 and 1984. For any country having acceded to the Protocol without negotiations, statistics showing the value of imports from other participating countries and from the world by main product categories for the years 1982, 1983 and 1984 should be provided. The Committee agreed to invite members to provide the necessary statistical data not later than 10 September 1985.

Statement by Spain

8. The representative of Spain recalled his earlier statement in connection with the accession of Spain to the European Communities. He said that the relevant legal instrument had now been signed and had been submitted for ratification by the Spanish Parliament and the Parliaments of the member countries of the European Communities. In conformity with the procedures provided for in paragraph 17 of the Protocol, the Spanish Government would in due course notify its withdrawal from the Protocol. In the meantime Spain would continue to apply to participating countries the preferential treatment provided in its schedule of concessions and would submit the statistical data required for the Annual Report of the Committee of Participating Countries. The Committee took note of the statement made by the representative of Spain.

Rotation of officers

9. The Chairman said that in the informal consultations no agreement had emerged with regard to amending paragraph 1 of the Rules of Procedure of the Committee, concerning the time period for the service of the officers of the Committee. In response to a question he said that even though, in his personal opinion, six months was a short period of time for the service of officers, the Committee had up to now managed to operate under this rule. Perhaps members might wish to reconsider this question at some future time.

10. The Chairman thanked members for their co-operation and assistance in carrying out the activities of the Committee. He said that in accordance with the Rules of Procedure of the Committee (CPC/47), the Chairmanship for the forthcoming period would be assumed by the representative of Chile.

Next meeting

11. 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.