

GENERAL AGREEMENT ON
TARIFFS AND TRADE

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES
Summary of Discussions at Forty-Fourth Meeting
held on 18 February 1986

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-fourth meeting on 18 February 1986 under the Chairmanship of Mr. F. Morales (Chile).
2. The draft agenda circulated in document CPC/W/117 was adopted with the inclusion under other business of the question of the participation of Spain in the Protocol.

Expansion of trade among developing countries

3. The Chairman said that as indicated in paragraphs 3-8 of the Summary of Discussions at the last meeting (CPC/80), the Committee had taken note that some members had submitted a list of items available for preferential trade liberalization in the framework of the Protocol and that these members were ready to enter into consultations with other interested participating countries. The Chairman recalled that at the last meeting, the Committee had taken note that the selection of items to be prepared by the secretariat at the request of the Committee would be circulated in the near future. The Committee had agreed to revert to this matter at the present meeting. He added that the preliminary selection of items of trade interest to participating countries for which the conditions of access might be liberalized in the framework of the Protocol, prepared by the secretariat, had been circulated to all members on a confidential basis. In summary, the tabulations identified some ninety-eight items of significant trade interest to participating countries which are subject to positive tariff rates in the importing countries. In the base year trade among participating countries in the items selected had represented approximately US\$2.5 billion. The tabulations provided information on current m.f.n. and preferential tariff rates and other applicable charges as well as the most recent import data available indicating aggregate import values and participating countries suppliers.

4. A member recalled that almost a year ago his delegation had put forward the proposal that, without prejudice to activities in other fora, each participating country liberalize, in the framework of the Protocol, the conditions of access for four or five items originating in other participating countries. This proposal constituted a procedural elaboration of the manner to carry out the earlier decision of the Committee to update and review the schedules of concessions in order to promote trade exchanges among participating countries. Having regard to

the preliminary selection of items prepared by the secretariat which clearly identified possible trade opportunities for participating countries, he was of the hope that his delegation's proposal would receive prompt consideration and would be acted upon by all other participating countries in the near future. To this effect this member proposed that the Committee set up an indicative time limit for submission by participating countries of the lists of items for which the conditions of access might be liberalized. Following the expiration of this time limit, arrangements might be made for interested participating countries to carry out consultations as necessary with a view to implementing the trade liberalization measures decided in the course of negotiations. He added that the proposal made by his delegation combined simplicity and realism. Consequently, it would be in the mutual interest of participating countries to take steps to implement the approach suggested and arrive at pragmatic results as expeditiously as possible.

5. A number of members reiterated their support for the initiative to liberalize the conditions of access for additional items in the framework of the Protocol. It was also noted that participating countries should not let this opportunity to increase their mutual trade go for nought. In expressing appreciation for the preliminary selection of items of trade interest to participating countries prepared by the secretariat at the request of the Committee, a number of members indicated that their respective governments were carrying out the necessary studies to prepare the lists of items for which the conditions of access might be liberalized. Some members enquired whether the secretariat might be able to update the statistical data provided in the tabulations and would be in a position to provide information with respect to non-tariff measures.

6. In response to comments made by some members, the representative of the secretariat noted that the selection of items in the tabulations was of a preliminary nature and limited in scope to items currently being traded by participating countries. Additional information concerning specific items might be obtained from the secretariat. He referred to footnote 1 on page 2 of the secretariat note and said that the base year for the secretariat tabulations was 1981 for all participating countries except Mexico. For technical reasons for this country the base year was 1979. For comparative purposes the tabulations provided 1983 trade data or the more recent import data available. As indicated in the tabulations, in a certain number of cases where detailed trade data was not available the information related to specified product categories. Having regard to criteria for the selection of items suggested by members of the Committee, as explained in paragraph 5 of the secretariat note, the tabulations had identified a number of items of significant value currently exported by some participating countries to markets other than those of participating countries which some participating countries imported from other sources. With respect to non-tariff measures, the representative of the secretariat said that at present the secretariat did not have comprehensive information at its disposal. Thus, it might be necessary with respect to specific items to request delegations to supply the relevant information. In practical terms information concerning non-tariff measures would be needed at the tariff line level and should be related to the concrete items selected for possible trade liberalization. Perhaps it might be preferable to proceed to identify such measures once the lists of items have been tabled by interested participating countries and, in due course, to organize informal consultations for this purpose. Having regard to the data available and in the light of the availability of resources, the secretariat would upon request try to provide any further information which members might need for the purpose of identifying the items for which the conditions of access might be liberalized.

7. A member recalled that the Protocol was at present the main instrument for the liberalization of trade among developing countries. His delegation supported the proposal to liberalize, in the framework of the Protocol, the conditions of access for a limited number of additional items. In noting the desirability that the items chosen for liberalization be of significant commercial value, this member said that his authorities would submit in the near future a list of five items of interest to participating countries which had been selected for possible liberalization. His delegation was also ready to consider any requests which interested participating countries might wish to put forward.

8. A number of members referred to the proposal to set a time-limit for the submission of lists of items for which the conditions of access might be liberalized. While some members supported the idea of establishing an indicative time-limit to this effect in order to ascertain which countries wished to pursue the exercise and determine the duration of the offers already put forward, some other members said that it would be preferable not to set up a time limit to submit these lists. In some capitals the process of responding to this initiative and selecting items of trade interest involved comprehensive consultations with the governmental bodies and commercial sectors concerned which required some additional time. Participating countries might, nevertheless, be invited to make efforts to activate this process in the near future.

9. With respect to the reference in a list submitted by a participating country to the need to envisage the possible withdrawal of certain concessions, it was noted that such action was not part of the proposal to liberalize additional items currently being pursued. Consequently, any participating country wishing to pursue such course of action would have to comply with the relevant provisions of the Protocol.

10. In reply to comments made by a member with respect to the procedures for the application of any additional concessions exchanged among participating countries, the Chairman noted that pursuant to paragraph 4 of the Protocol, the Committee of Participating Countries was competent to decide all matters concerning the implementation of the provisions of the Protocol, facilitating its operation and furthering its objectives. In his view the Committee might consider this question in due course.

11. The Committee took note of the exchange of views concerning the proposal to liberalize the conditions of access for some additional items of interest to participating countries and stressed that the operational strengthening of the Protocol would not prejudice activities in other fora concerning economic cooperation among developing countries. The Committee agreed that to invite interested participating countries to submit their respective lists of four or five items if possible by June 1986. Participating countries which intend to contribute to this preferential trade liberalization effort but which cannot yet submit a list were invited to communicate their intention by note to the secretariat. The Committee also agreed to revert to this matter at its next meeting.

Participation of Spain

12. Some members referred to the question of the participation of Spain in the Protocol. It was recalled that the representative of Spain had advised that following accession to the European Communities, Spain would withdraw from the Protocol. As no notification to this effect had been received so far from Spain, it was understood that the schedule of concessions of Spain

was still in force and that, pursuant to paragraph 17 of the Protocol, it would continue to be in force for six months following the date of Spain's withdrawal from the Protocol. However, in the interest of certainty in the trade relations among participating countries, it would be desirable to clarify this situation and to consider the possible implications of the withdrawal of Spain.

13. The Committee agreed to invite the Spanish authorities to inform the Committee of their intentions in respect to participation in the Protocol and to revert to this matter at its next meeting.

Rotation of officers

14. The Chairman thanked members for their whole-hearted cooperation and assistance in carrying out the activities of the Committee. He had been encouraged by the good will and receptivity accorded by all members to the initiative to activate trade exchanges in the framework of the Protocol. He expected that these efforts would continue to be pursued actively and arrive at concrete results hopefully in the near future. The Chairman said that in accordance with the Rules of Procedure of the Committee, the Chairmanship for the forthcoming period would be assumed by the representative of India and the Vice Chairmanship by the representative of Mexico.

Next meeting

15. 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.