

GENERAL AGREEMENT ON

RESTRICTED

CPC/88

9 July 1987

TARIFFS AND TRADE

Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Forty-Eighth Meeting
Held on 11 June 1987

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its forty-eighth meeting on 11 June 1987 under the Chairmanship of Mr. A. Garrido (Mexico).

2. The draft agenda circulated in document CPC/W/124 was adopted.

Expansion of trade among developing countries

3. The Chairman said that as indicated in paragraphs 3-7 of the Summary of Discussions at the last meeting (CPC/87), the Committee had taken note of the comments and suggestions made by members and agreed that informal consultations would be held with regard to the present and future activities of the Committee. The Committee had also agreed to hold informal consultations with regard to the follow-up to the requests submitted by Bangladesh to a number of participating countries and the legal implications thereof. The Committee had also agreed to revert to the question of the expansion of trade among developing countries at its next meeting. Following the informal consultations which had taken place in May, a paper prepared by the secretariat has been made available to delegations. Up to now, five members had submitted the lists of additional items for which they intend to liberalize conditions of access in the framework of the Protocol. A member had submitted request lists addressed to a number of participating countries.

4. Some members welcomed the submission of a fifth list by a participating country, and reiterated the importance they accorded to the Protocol as a fully operational arrangement for the expansion of trade among developing countries, and stressing the need to carry forward the initiative aimed at liberalizing the conditions of access for additional items in the framework of the Protocol. These members noted however that this initiative could not be left open indefinitely. Having regard to the effectiveness of the Protocol and the economic development needs of participating countries, in the interest of increasing actual trade opportunities and promoting the immediate expansion of their mutual trade exchanges it was imperative, in their view, that the initiative be brought to fruition in the near future.

5. Recalling the objectives of the Protocol concerning the expansion of trade among developing countries and the requests submitted by Bangladesh to a number of participating countries, one member stated that his authorities had decided to respond positively to Bangladesh's requests for preferential tariff concessions in the framework of the Protocol. Considering that the relevant procedural aspects including the question of the application of the concessions had been clarified, as soon as the required domestic procedures had been completed this member would make available to the secretariat, for inclusion in his country's schedule, a list of tariff concessions which was expected to include the following tariff items of interest to Bangladesh: raw jute (57.03); yarn of jute (57.06); fabrics of jute (57.10); and sacks of jute (62.03). In response to questions raised by some members, this member stated that these concessions would be included in his country's schedule of concessions and would thus be of a general application to participating countries. The representative of Bangladesh expressed appreciation and gratitude for this first positive response given to his country's request for additional tariff concessions and expressed the hope that other participating countries would endeavour also to provide a positive response at an early date.

6. Some other members welcomed this announcement which it was noted had brought up to six the number of participating countries willing to liberalize the conditions of access for additional items in the framework of the Protocol. Some of these members stated that the requests submitted by Bangladesh were under active consideration in capitals. It was expected that the lists of items already submitted might be enlarged to include some items of interest to Bangladesh and that responses to this effect would be submitted as soon as possible.

7. Some members who had already submitted lists of items for which the conditions of access might be liberalized in the framework of the Protocol invited other participating countries to follow suit and recalled that, in this connection, members had been invited some time ago to make a statement of intention by a certain indicative date. In the view of these members, the present situation was not satisfactory. Their offers for additional tariff concessions in the framework of the Protocol represented by their lists of items were being kept in abeyance while other members defined their position and the Committee took the appropriate action. Recalling the partial scope agreements negotiated in the framework of some regional arrangements and the provisions of paragraph 4 of the Protocol, some members suggested that the Committee of Participating Countries might consider the possibility of adopting a decision agreeing to the implementation of concessions on a plurilateral basis among those participating countries who had already submitted lists of additional items or who did so in the future and Bangladesh. It was also pointed out that members were free to include, at any time, additional items in their schedules of concessions and that such concessions would be applicable to all participating countries. Some other members said that one of the reasons for the delay in responding to the initiative to submit lists of additional items for which the conditions of access might be liberalized in the framework of the Protocol was that at present their authorities had decided to focus their efforts on the current negotiations aimed at the

establishment of a global system of trade preferences among developing countries, an exercise which had a broad appeal and a large following among developing countries. These members would nevertheless continue to honour their Protocol commitments. Recalling that trade negotiations reflected the political will of the countries concerned, a member noted that the recent withdrawal from the Protocol by one member had reduced the number of concessions. This member objected to any fragmentation of the Protocol through the introduction of different levels of concessions. Other members stated that carrying on the exchange of additional concessions in the framework of the Protocol and pursuing the GSTP negotiations were considered to be complementary exercises, both of which their authorities supported. Some members were of the opinion, moreover, that even though the Protocol was not part of GATT, participating countries might be able, at the present time, to seek credit in the Uruguay Round of trade negotiations for any additional liberalization of trade implemented in the framework of the Protocol. A member said that the suggestion that concessions implemented in the framework of the Protocol might constitute contributions to the Uruguay Round negotiations was puzzling and deserved some further discussion.

8. The Committee took note of the comments and suggestions made by members and agreed to revert to the question of the expansion of trade among developing countries at its next meeting.

Certification of origin

9. The Committee took note of the information concerning certification of origin provided by Israel (CPC/10/Add.26).

Rotation of officers

10. The Chairman thanked members for their cooperation and assistance in carrying out the activities of the Committee and the efforts aimed at up-grading the concessions embodied in the Protocol. In accordance with the Rules of Procedure of the Committee, the Chairmanship for the forthcoming period was assumed by the representative of Peru, and the Vice-Chairmanship by the representative of the Republic of Korea.

Next meeting

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