

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CPC/W/14

10 December 1974

Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Enlargement of the Protocol

Note by the Secretariat

1. Following the special sessions of the Committee of Participating Countries, communications have been received from a number of non-participating countries interested in accession under the provisions of paragraph 14 of the Protocol or desiring to explore possibilities for accession in accordance with the procedures established in document CPC/S/1, a copy of which is attached hereto.

Request for accession by Paraguay (CPC/15)

2. By a communication dated 11 November 1974, the representative of Paraguay has indicated the desire of his country to accede to the Protocol Relating to Trade Negotiations Among Developing Countries pursuant to paragraph 14 of the Protocol without carrying out negotiations for an exchange of concessions.

3. Paragraph 14 states, inter alia, that "the Committee may agree that an applicant country may accede to the Protocol without such negotiations on terms agreed with the Committee".

4. It may be noted that Paraguay, which has also applied for accession to the General Agreement, will be submitting a memorandum on its Foreign Trade Régime. While this information, when available, will be circulated to members of the Committee, the secretariat has provided, in an addendum, some preliminary information on Paraguayan exports and imports and attempted to identify products included in the schedule of concessions which may be of interest to Paraguay.

5. As this is the first application to accede to the Protocol without negotiations for an exchange of concessions, participating countries, in the course of their examination of this request, might wish to give some consideration to possible terms of accession for such countries in general. In this respect, it may be noted that most

of the obligations embodied in the Protocol are related to the exchange of concessions among participating countries being concerned with such matters as the maintenance of the value of the concessions, procedures for renegotiation, etc. The question might therefore be raised that in cases where sympathetic consideration is being given to an application for accession without negotiation, what form of commitments, if any, might be sought from such countries, consistent with the overall objectives of the Protocol.

Note-verbale from Romania (CPC/11)

6. By a communication dated 21 October 1974, the Permanent Mission of Romania has indicated the desire of Romania to explore the possibilities for accession to the Protocol. The Romanian mission has also indicated those products included in the schedule of concessions attached to the Protocol which are of interest and noted that Romania would be interested in the inclusion of a larger number of industrial products in the schedule of concessions.

7. As provided in paragraph 2(ii) of CPC/S/1 the communication and the list of products submitted by Romania have been circulated in document CPC/11. In order to facilitate the process of exploring possibilities for accession outlined in CPC/S/1, the participating countries referred to in the Romanian communication are expected to provide relevant information on their imports of the items appearing in the Romanian list and the tariff and other regulations applicable. This might include details of most-favoured-nation duties and concessional rates of duty contained in the Protocol as well as other regulations of trade affecting the products in question. While some information on trade flows, which could be utilized for the above purpose, has been provided by a number of participating countries in the first annual report to the CONTRACTING PARTIES (L/4091 and Add.1), other countries have not so far submitted such details.

8. The procedures in paragraph 4 of CPC/S/1, also suggest that countries mentioned in the Romanian communication should identify products in respect of which they would be interested in exploring possibilities in the Romanian market. Such lists would be forwarded to the delegation of Romania, so that information could be compiled with respect to imports, tariffs and other relevant regulations. The Romanian delegation might also be invited to indicate additional products in respect of which Romania would be interested in exploring the possibilities of seeking concessions from participating countries.

9. If considered appropriate and useful, the lists of products and information received could be collated by the secretariat and be made available to participating countries. In this connexion, participating countries might wish to indicate a time-table for the provision of the information mentioned in paragraphs 7 and 8.

10. The procedures outlined might also apply to countries having requested accession to the Protocol or having expressed interest in exploring possibilities for accession.

11. Once the relevant information has been made available, this could then provide a basis for consultations between the country interested in accession and other countries concerned with a view to exploring possibilities for an exchange of tariff concessions and the scope for any negotiations that might take place.

Communication from Iran (CPC/16)

12. By a communication dated 14 November 1974, the Permanent Mission of Iran has advised of the desire of the Iranian Government to explore possibilities and means for acceding to the Protocol Relating to Trade Negotiations Among Developing Countries (CPC/16). In this connexion, the Iranian authorities are in the process of preparing a list of products of export interest to Iran for submission to participating countries with a view to exploring the possibilities of tariff concessions.

13. The Iranian communication has been circulated to participating countries as document CPC/16 and the list of products to be submitted by Iran will be circulated as soon as received. In the meantime, participating countries as well as other countries having applied for accession and countries interested in exploring possibilities for accession, might be invited to identify and submit lists of products of export interest to them for which they would like to examine the possibilities of obtaining concessions from Iran. Details of trade flows, tariffs and other regulations applicable in respect of the products expected to be submitted by Iran as well as similar information provided by Iran in respect of products identified by other countries as being of export interest in the market of Iran might be supplied by an agreed date and collated by the secretariat to enable the countries concerned to examine the scope for any negotiations that might take place.

Communication from Sri Lanka (CPC/14)

14. By a communication dated 29 October 1974, the Permanent Mission of Sri Lanka indicated its Government's desire to explore possibilities for acceding to the Protocol Relating to Trade Negotiations Among Developing Countries. While noting that only a few of the items included in the schedule of concessions were of interest to Sri Lanka, a list, containing ninety-seven products of export interest to Sri Lanka, was also submitted. The communication and the list of products have been circulated to participating countries as document CPC/14. As mentioned in paragraph 4 of CPC/S/1, participating countries are expected to provide relevant information on their imports of the items appearing in the list, as well

as the tariff and other regulations applicable. Participating countries are also expected to identify products in respect of which they would be interested in exploring the possibilities for seeking concessions from Sri Lanka so that Sri Lanka can provide relevant information on imports, tariffs and other trade regulations affecting such items. Participating countries may wish to agree on a time-table for the provision of the above information which could provide a basis for interested countries to examine the scope for any negotiations that might take place.

15. The procedures mentioned in the previous paragraph might also apply to those countries having requested accession to the Protocol or having expressed interest in exploring possibilities for accession.

Communications from Bangladesh, the Dominican Republic, Madagascar and Singapore

16. The delegations of Bangladesh, the Dominican Republic and Madagascar have requested the secretariat's assistance in the identification of products of export interest to their countries, in respect of which it might be possible to explore possibilities for concessions in the framework of the Protocol, as well as the applicability of existing concessions to products being exported by the above countries. This work is expected to be completed early in the new year.

17. The Permanent Mission of Singapore has informed the secretariat that it is felt that it is too early to take a stand at the present time regarding accession to the Protocol.

Points for consideration

18. Members of the Committee may wish to make comments and offer suggestions on the following points:

- (i) the request from Paraguay for accession to the Protocol without negotiations under the relevant provisions of paragraph 14 of the Protocol;
- (ii) the note-verbale from Romania and suggested procedures for exploring the possibilities for accession;
- (iii) the communication from Iran and procedures for exploring the possibilities for accession;
- (iv) the communication from Sri Lanka and procedures for exploring the possibilities of accession.

19. As mentioned earlier, participating countries are expected to provide relevant information on their imports of the items of interest to the countries wishing to explore possibilities for accession (Romania, Iran and Sri Lanka) and the tariff and other regulations applicable in accordance with a time-table which might be agreed upon. Participating countries might also identify products in respect of which they would be interested in exploring possibilities in the Romanian, Iranian and Sri Lankan markets so that these countries can proceed to prepare the required information on imports, tariffs and other trade regulations.

20. While the secretariat could be of assistance in collating the information provided by delegations and identifying, where relevant, items already included in the schedule of concessions which may be of interest to the countries mentioned above, it is to be expected that contacts would also take place between delegations for the purpose of discussing and clarifying particular points etc. of mutual interest.

21. The Committee may also wish to take note of the work being undertaken by the secretariat at the request of the delegations of Bangladesh, Dominican Republic and Madagascar. It is expected that the provision of the information required will enable these countries to examine the scope and prospects for exploring the possibilities for accession.