

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Preferential Arrangements Among
Developing Countries Negotiated
in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Draft Sixth Annual Report to the CONTRACTING PARTIES

Revision

1. The Decision adopted by the CONTRACTING PARTIES on 26 November 1971^{1/} concerning the implementation of the Protocol Relating to Trade Negotiations Among Developing Countries provides, inter alia, "That the CONTRACTING PARTIES will review annually, on the basis of a report to be furnished by the participating countries, the operation of this Decision...". Thus, the countries participating in the Protocol submit to the CONTRACTING PARTIES their sixth Annual Report^{2/} concerning the operation of the Protocol.
2. In adopting the Decision, the CONTRACTING PARTIES considered that trade negotiations among developing countries should have as their objective the expansion of access on more favourable terms for developing countries in one another's markets through an exchange of tariff and trade concessions directed towards the growth of their mutual trade. In this respect they noted that the establishment of preferences among developing countries could make an important contribution to the expansion of trade among developing countries and to the attainment of the objectives of the General Agreement.
3. The present report has three sections. Section I briefly describes the activities of the Committee of Participating Countries during the period under review. Section II contains some general comments on the statistical information provided by participating countries with regard to trading relationships under the Protocol. Section III reproduces the tabulations containing the statistical information supplied by participating countries.

^{1/} BISD, Eighteenth Supplement, page 26.

^{2/} The first, second, third, fourth and fifth Annual Reports were published in BISD 21S/126, BISD 22S/73, BISD 23S/147, BISD 24/154 and BISD 25/163 respectively.

I. COMMITTEE OF PARTICIPATING COUNTRIES

A. Entry into force and status of ratifications

4. To the time of presenting this report, the Protocol Relating to Trade Negotiations Among Developing Countries, which entered into force on 11 February 1973, had been ratified by seventeen developing countries: Bangladesh, Brazil, Chile, Egypt, Greece, India, Israel, Republic of Korea, Mexico, Pakistan, Peru, Romania, Spain, Tunisia, Turkey, Uruguay and Yugoslavia. Paraguay has signed the Protocol ad referendum pending the completion of its domestic procedures and the Philippines has signed but not yet ratified the Protocol.

B. Implementation of the Protocol

5. Participating countries have fully observed the provisions of the Protocol and the terms of the Decision of the CONTRACTING PARTIES of 26 November 1971. During the period under review, the articles of the Protocol relating to renegotiation, withdrawal or modification of concessions, emergency action on imports of particular products, temporary suspension of rights and obligations and the withholding or withdrawal of concessions were not utilized by any participating country. No consultations have been sought on measures which have implications for benefits countries may expect to derive from the arrangement. In connexion with the Declaration annexed to the Protocol, membership both in the Protocol and in regional economic and trading arrangements among developing countries has not so far resulted in the notification of any problems for participating countries.

6. No contracting party to GATT has requested consultations with participating countries pursuant to the Decision of the CONTRACTING PARTIES of 26 November 1971 on the grounds that benefits accruing under the General Agreement may be or are being impaired unduly as a result of the arrangements set out in the Protocol.

Rules of origin

7. Information on rules of origin applied by Romania in connexion with determination and certification of origin in relation to Romania's membership of the Protocol has been circulated to participants in document CPC/10/Add.11 and with respect to Bangladesh in CPC/10/Add.12.

C. Activities of the Committee

8. The Committee of Participating Countries provided for in the Protocol was established for the purpose of giving effect to those provisions of the Protocol involving joint action and, generally, with a view to facilitating

the operation and furthering the objectives of the Protocol. During the period under review, the Committee has held sessions in December 1978, March, July and November 1979, under the chairmanship of Messrs. A. Liontas (Greece), K. Sandilya and Prem Kumar (India) and S. Delgado (Mexico).

9. In addition to concerning itself with day-to-day issues relating to the operation of the Protocol, the Committee has taken up questions relating to a new round of trade negotiations among developing countries, taking into account discussions on this subject in GATT and in other relevant international bodies and organizations. In connexion with a request that information concerning the Protocol be given wide circulation, the secretariat arranged circulation to all contracting parties to GATT and other developing countries and international bodies of a brochure describing the objectives, principles, main provisions and experience of the Protocol. At the request of the Committee, GATT Commercial Policy Courses for senior officials from developing countries are giving additional attention to the question of trade negotiations among developing countries.

D. Trade Negotiations Among Developing Countries

10. The question of a further round of trade negotiations among developing countries has been engaging the attention of a number of countries including members of the Protocol. In this connexion, the Committee of Participating Countries has taken note of the technical work programme carried out by the secretariat and the preliminary observations regarding the scope for the further expansion of trade among developing countries emerging from the study and analysis made. The Committee, in recalling the ad hoc consultations which had recently taken place on the expansion of trade among developing countries, noted that consideration would continue to be given to the matter of further negotiations.

II. STATISTICAL DATA

11. Available statistics indicate that overall trade among participating countries in products contained in the schedules of concessions continued to increase during 1978. While full details of reported trade in products subject to concessions are shown in Section III^{1/} of the report, an attempt has been made in the following table to provide a summary of certain aspects of this trade.

^{1/} Section III is being issued as an addendum to this document.

12. It will be noted from the summary table that with respect to the eleven^{1/} participating countries which had provided data at the time of preparation of this report, aggregate trade with other participating countries in products included in the schedules of concessions increased over the last three years from \$78.4 million in 1976 to about \$152.2 million in 1978 or over 90 per cent.

13. Although noting that the figures are incomplete and reflect trade flows on scheduled items for eleven participating countries, and taking into account other factors which may influence this trade, the Committee welcomed the continuation of the overall trend which has become evident since commencement of the extraction of relevant data following entry into force of the Protocol in 1973.

^{1/}Data provided by other participating countries will be circulated as addenda to this document and the figures shown will be modified in the light of any additional information received.

AGGREGATE TRADE IN PRODUCTS SUBJECT TO CONCESSIONS
AMONG REPORTING PARTICIPATING COUNTRIES

Participating country	1978		1977		1976		1975		1974		1973		1972	
	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from
BRAZIL	586.0	India Spain Romania	468.0	India Spain	8,945.0	India Spain Uruguay	933.0	India Israel Spain	3,414.1	India Spain Turkey	480.2	India Spain Turkey	301.0	India Pakistan
EGYPT	25,405.0	Brazil Greece India Pakistan Korea Romania Spain Tunisia	8,898.0	Greece India Pakistan Spain Tunisia Yugoslavia	1,456.3	Greece India Korea Pakistan Spain Yugoslavia	633.4	Greece India Korea Pakistan Spain Yugoslavia	595.5	Spain Yugoslavia	11,103.2	Spain Yugoslavia	5,844.2	Brazil Egypt India Israel Korea Mexico Pakistan Spain Tunisia Turkey Yugoslavia
GREECE	57,191.8	Brazil Egypt India Israel Korea Mexico Pakistan Peru Spain Tunisia Turkey Yugoslavia	33,673.0	Brazil Egypt India Israel Korea Mexico Pakistan Peru Philippines Tunisia Turkey Yugoslavia	18,754.8	Brazil Egypt India Israel Korea Pakistan Philippines Tunisia Turkey Yugoslavia	7,935.6	Brazil India Israel Korea Mexico Pakistan Spain Tunisia Yugoslavia	13,468.6	Brazil Egypt India Israel Pakistan Spain Tunisia Turkey Yugoslavia	192.0	Korea Spain Turkey	381.0	Spain Turkey
ISRAEL	3,723.0	Greece Romania Spain Turkey	2,818.0	Greece Korea Turkey Spain	2,920.0	Greece Spain Turkey	1,101.0	Spain Turkey	837.0	Spain Turkey	4,094.0	Greece India Turkey	1,354.0	Greece India Turkey
KOREA	17,896.0	Brazil Chile Greece India Spain Turkey Yugoslavia	13,892.0	Brazil Greece India Turkey Uruguay Yugoslavia	8,881.0	India Turkey Yugoslavia	17,087.0	Greece Spain Turkey Yugoslavia	9,353.4	Greece India Turkey	2,652.0	Spain	2,312.1	Spain
MEXICO	3,851.0	Brazil Egypt Israel Spain Uruguay	2,102.0	Brazil Egypt India Spain Uruguay	1,748.0	Brazil Egypt Spain Uruguay	2,175.0	Brazil Egypt India Israel Spain Uruguay	1,726.0	Israel Spain	5.0	Spain	170.5	Spain Yugoslavia
PAKISTAN	84.0	India Korea Philippines Spain	140.0	Korea Turkey Philippines	241.0	Brazil Korea Philippines	98.0	Korea Philippines Spain	547.0	Spain Yugoslavia				

Participating country	1978		1977		1976		1975		1974		1973		1972			
	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from	Value of imports	Imports from		
PERU																
SPAIN	1,848.5	Brazil Greece India Israel Korea Mexico Pakistan Peru Philippines Tunisia Turkey Uruguay Yugoslavia	2,642.5	Brazil Chile Greece India Israel Korea Mexico Pakistan Peru Turkey Uruguay Yugoslavia	2,061.0	Brazil Chile Egypt Greece India Israel Korea Mexico Pakistan Peru Philippines Uruguay Yugoslavia	953.4	Brazil Chile Egypt Greece India Israel Mexico Pakistan Uruguay Yugoslavia	906.3	Brazil Chile Egypt Greece India Israel Mexico Pakistan Yugoslavia	1,509.0	Brazil Chile Greece India Israel Mexico Pakistan Yugoslavia	658.0	Brazil Chile Greece India Israel Mexico Pakistan Turkey Yugoslavia		
TURKEY	37,750.0	Brazil India Israel Korea Pakistan Romania Spain Tunisia Yugoslavia	33,443.9	Brazil India Israel Korea Pakistan Spain Tunisia Yugoslavia	30,291.0	Brazil India Israel Korea Mexico Pakistan Spain Tunisia Yugoslavia	27,253.0	Brazil India Israel Korea Pakistan Spain Tunisia Yugoslavia	9,135.0	Brazil Greece India Israel Korea Pakistan Spain Tunisia Yugoslavia	3,813.0	India Israel Spain Tunisia Yugoslavia	4,519.0	Egypt India Israel Korea Pakistan Spain Tunisia Yugoslavia		
URUGUAY	3,622.0	Brazil Greece Israel Korea Mexico Paraguay Philippines Spain	3,207.0	Brazil Greece Korea Mexico Spain	3,048.0	Brazil Israel Korea Mexico Spain	2,515.0	Brazil Greece Korea Mexico Spain	4,533.0	Brazil Greece Korea Mexico Peru Spain						
TOTAL	152,226.2		102,230.4		78,375.1		60,723.1		44,515.9		23,848.4		15,539.8			

2/ In US\$ '000. 2/ Eight participating countries. 2/ Ten participating countries. 4/ Eleven participating countries.