

GENERAL AGREEMENT ON TARIFFS AND TRADE

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Draft Ninth Annual Report to the CONTRACTING PARTIES

1. The Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries¹, also known as the Enabling Clause, applies, inter alia, to "regional or global arrangements entered into amongst less-developed contracting parties for the mutual reduction or elimination of tariffs and, in accordance with criteria or conditions which may be prescribed by the CONTRACTING PARTIES, for the mutual reduction or elimination of non-tariff measures ..." notwithstanding the provisions of Article I of the General Agreement. This Decision constitutes a standing legal basis² for the Protocol Relating to Trade Negotiations Among Developing Countries.

2. The Committee on Trade and Development which has been given primary responsibility for supervision of the implementation of the above Decision, in discussing procedural arrangements for reviewing activities covered by the Decision, took note that reviews of the operation of the Enabling Clause could be co-ordinated with its end-of-year reviews of the implementation of Part IV and that information for the purpose of such reviews should be circulated in good time. Thus, the countries participating³ in the Protocol submit to the CONTRACTING PARTIES their ninth Annual Report³ concerning the operation of the Protocol.

I. COMMITTEE OF PARTICIPATING COUNTRIES

A. Entry into force and status of ratifications

3. 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 sixteen developing countries: Bangladesh, Brazil, Chile, Egypt, India, Israel, Republic of Korea, Mexico, Pakistan, Peru, Romania, Spain, Tunisia, Turkey, Uruguay, and Yugoslavia.

¹ BISD 26S/203-205

² The implementation of the Protocol was originally covered by a Decision of the CONTRACTING PARTIES dated 26 November 1971 (BISD 18S/26-28).

³ The first, second, third, fourth fifth, sixth, seventh and eighth Annual Reports were published in BISD 21S/126, BISD 22S/73, BISD 23S/147, BISD 24S/154, BISD 25S/163, BISD 26S/337, BISD 27S/172 and L/5213 and Addenda respectively.

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

4. Participating countries have fully observed the provisions of the Protocol. 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.

C. Activities of the Committee

5. 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 July and October 1982 under the Chairmanship of Messrs. L. Paunescu (Romania) and O. Ozuye (Turkey).

6. In addition to concerning itself with day-to-day issues relating to the operation of the Protocol, the Committee has taken up questions with respect to the expansion of trade among developing countries, having regard to discussions on this subject in GATT and in other relevant international bodies and organizations.

7. In the light of the request of Argentina for accession to the Protocol, the Committee of Participating Countries agreed on procedures for negotiations which are taking place between Argentina and interested participating countries.

8. Having regard to the relevant provisions of the Protocol Relating to Trade Negotiations Among Developing Countries, the Committee of Participating Countries decided to carry out a review of the schedules of concessions of participating countries with a view to facilitating action aimed at updating and improving the scope and coverage of the concessions on the basis of the considerations and principles embodied in the Preamble to the Protocol. To this effect, the Committee requested the secretariat to prepare necessary factual material that would serve as a basis for action directed at updating and improving the general level of mutually beneficial concessions under the Protocol. In this context, the Committee agreed to meet in January 1983 to examine the factual material prepared by the secretariat and to exchange information and proposals for updating and improving the scope and coverage of the schedules of participating countries.

II. STATISTICAL DATA

9. Available statistics indicate that overall trade among participating countries in products contained in the schedules of concessions was broadly maintained during 1981 with a number of such countries continuing to record an increase in imports of concessional items. Full details of reported trade in products subject to concessions are shown in addenda to this report.