

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## EXPANSION OF TRADE AMONG DEVELOPING COUNTRIES

### Note by the Secretariat

1. Considerable discussion is taking place in various organizations concerning the question of economic co-operation among developing countries (ECDC). As the Committee on Trade and Development provides a forum in GATT for a review of developments relating to the expansion of trade among developing countries, the following notes on recent developments of relevance in the GATT context have been put together to assist in this review. In the report of its last meeting, the Committee took note of the Fourth Annual Report of the Committee of Participating Countries (L/4561 and Add.1) which administers the Protocol Relating to Trade Negotiations Among Developing Countries. During the discussions, a number of comments were made on the possibilities for a new round of trade negotiations among interested developing countries with the objective of broadening the scope of the concessions under the Protocol to include a wider group of products and countries (L/4597, paragraphs 31-33).

2. As indicated in the Protocol report, technical work initiated by its members with a view to examining the possibilities of a further round of trade negotiations among interested developing countries is currently taking place. Some fifty developing countries (members and non-members of the Protocol) from the different regions of the world are presently participating in this exercise without commitment on their part and a number of others have expressed interest in it. The initial work programme concerns the preparation of trade matrices showing, for all products covered by the CCCN broken down into categories and sub-categories generally at various stages of processing, trade between individual developing countries. Trade within and between different regions may also be identified in the matrices. From the work undertaken to date, many developing countries appear as significant exporters to other developing countries for a range of products categories and sub-categories. Although a substantial part of inter-developing country trade is of a regional or sub-regional nature, many of the countries covered by the matrices also have significant trade with developing country partners in other regions of the world.

3. The second line of activity with regard to this technical work is the preparation of a series of country studies providing a broad picture of the commercial policy and trade flow situation of the country concerned as well as available information on other aspects such as development plans, balance-of-payments situation etc.
4. It is to be expected that the above information, together with other relevant details, will assist countries participating in the work to identify, in broad terms, the scope which exists for increasing their mutual trade exchanges through a further round of negotiations among developing countries and possibly also provide some indication of the aims which might be sought in any new round of negotiations in terms of its scope and objectives.
5. This technical work is being undertaken on the basis that priority will continue to be given to all matters pertaining to the multilateral trade negotiations.
6. It might also be noted that as a result of the five-year review of the Protocol in accordance with the provisions of its paragraph 5, the Committee of Participating Countries agreed at its meeting in April 1978 that a major element of its future work programme should relate to enlargement of the Protocol in co-operation with all other interested developing countries.