

# GENERAL AGREEMENT ON

RESTRICTED

## TARIFFS AND TRADE

CPC/96

4 October 1988

Special Distribution

Preferential Arrangements  
Among Developing Countries  
Negotiated in GATT

### COMMITTEE OF PARTICIPATING COUNTRIES

#### Summary of Discussions at Fifty-Second Meeting Held on 26 September 1988

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its fifty-second meeting on 26 September 1988 under the Chairmanship of Mr. H. Byun (Republic of Korea).

2. The draft agenda circulated in document CPC/W/134 was adopted.

#### Expansion of trade among developing countries

3. The Chairman referred to paragraphs 3-5 of the Summary of Discussions (CPC/94) of the last meeting. He said that as foreshadowed at the last meeting, the Certification of the consolidated Schedule of Concessions of Turkey had been circulated to participating countries. He added that at the last meeting the Committee had taken note of the comments made by members concerning the inclusion of additional items in their respective schedules of concessions, the situation of the lists of additional items already submitted and the adjustment of concessional tariff rates in the light of the current tariff rate situation. The Committee had agreed that informal consultations with respect to the expansion of trade among developing countries should be undertaken prior to the next meeting of the Committee. The informal consultations had preceded the present meeting of the Committee. The Committee had also agreed to revert to the question of the expansion of trade among developing countries at the present meeting.

4. Several members referred to the difficulties faced by developing countries as a consequence of the unfavourable external trading environment. Some recent developments in the context of the Uruguay Round trade negotiations with implications for the interests of developing countries were mentioned. Recalling earlier exchanges of views in the Committee of Participating Countries concerning the question of the expansion of trade among developing countries, several members reaffirmed the importance of the Protocol as an effective and fully operational instrument to increase trade exchanges among developing countries on a preferential basis. Without prejudice to activities being pursued in other fora, members expressed support for the proposal to take action aimed at restoring the margins of preference and the value of the concessions as initially negotiated, as well as to updating and improving the schedules of concessions of participating countries, both quantitatively and qualitatively. A number of specific proposals or approaches were suggested

in this respect. These covered, inter alia, autonomous action aimed at restoring the margins of preference negotiated originally and the inclusion of additional items in the schedules of concessions of participating countries on an autonomous basis as well as the carrying out of substantive trade negotiations among participating countries. The autonomous approach consisting of the inclusion of additional items in the schedules of concessions was considered to be entirely justified for the purpose of restoring margins of preference eroded as a result of m.f.n. tariff reductions which had affected fixed ad valorem or specific tariff concessions. While some participating countries were willing to be flexible and consider the proposal to include in their respective schedules, on an autonomous basis, the additional items already submitted, other members stressed, however, that a significant updating and improvement of the schedules of concessions embodied in the Protocol, could only be achieved through a process of substantive trade negotiations among participating countries covering both tariffs and non-tariff measures. In the view of these members, in many instances, unilateral trade concessions had proved to be of a rather limited interest. The need for timely and flexible action on the part of participating countries was emphasized. In order to facilitate the consideration of the proposals made by members, the secretariat was requested to circulate a short factual note summarizing developments relevant to the schedules of concessions of participating countries. A member mentioned the need to ensure that the business community in all the participating countries was adequately informed about the trade opportunities offered by the Protocol at present.

5. Some members recalled recent developments concerning tropical products and other sectors of the Uruguay Round multilateral trade negotiations of interest to developing countries. Noting that the question of contributions to the negotiations by developing countries had already arisen in some Negotiating Groups, reference was made to the possibilities which the Protocol Relating to Trade Negotiations Among Developing Countries might offer to interested participants for liberalizing trade and exchanging trade concessions exclusively among developing countries, on the understanding that such action would be recognized as being consistent with and representing a contribution towards the objectives of the Uruguay Round.

6. In summing-up the discussion, the Chairman said that in order to up-date and improve the schedules of concessions and with a view to strengthening the Protocol Relating to Trade Negotiations Among Developing Countries, participating countries might envisage implementing one or more of the following measures:

(i) Participating countries whose schedules of concessions contain fixed ad valorem or specific tariff rates might review the situation to ascertain whether in the light of the tariff rates currently in force the margins of preference negotiated originally are still in effect. If the margins of preference are not in effect, preferential tariff rates might be adjusted in order to restore the value of the concessions.

(ii) Participating countries which have submitted additional lists of items might be invited to include these items in their respective schedules of concessions on an autonomous basis. These autonomous concessions might be withdrawn at any time without renegotiation.

(iii) Other participating countries might be invited to consider taking action to improve the product coverage and/or the existing margins of preference for the items currently included in their respective schedules of concessions.

(iv) Having regard to the procedures already agreed by the Committee, participating countries might carry out negotiations for the exchange of additional concessions.

(v) As a contribution to the attainment of the objectives of the Uruguay Round, developing countries in a position to do so might, in the framework of the Protocol, liberalize the conditions of access for products of interest to other developing countries participating in the negotiations on the basis that such action would be recognized as a contribution to the overall objectives of the Uruguay Round.

7. The Committee took note of the comments and suggestions made in the course of the deliberations and agreed that participating countries would reflect on the various approaches which might be pursued with a view to the expansion of trade among developing countries. The Committee also agreed to revert to this matter at its next meeting.

#### Republic of Korea - Schedule of Concessions

8. The Chairman referred to paragraphs 6-7 of the Summary of Discussions (CPC/94) of the last meeting. He said that at the last meeting, the Committee had agreed that the Schedule of Concessions of the Republic of Korea revised in accordance with the Harmonized Commodity Description and Coding System should be included in a certification of rectifications to schedules. The revised Schedule of Concessions of the Republic of Korea had been circulated as CPC/95. The Certification of Rectifications to the Schedule of the Republic of Korea had also been circulated to participating countries. The Committee took note of this information.

#### Annual report

9. The Chairman said that the draft Fifteenth Annual Report of the Committee of Participating Countries to the CONTRACTING PARTIES and the Committee on Trade and Development had been circulated in document CPC/W/132 and Addenda. Up to now, only a few participating countries had provided the necessary statistical data and it would be desirable that other participating countries submit their data as soon as possible. Following the consideration of the draft report, the Committee adopted the text circulated in CPC/W/132 and Addenda and agreed to invite those participating countries that have not yet done so to submit to the secretariat the statistical data and information required for the Annual Report as soon as possible.

Derestriction of documents

10. The Chairman referred to document CPC/W/133 which on the basis of the guidelines adopted by the Committee, listed CPC/ and CPC/W/ documents which would appear to be eligible for derestriction. This list had been submitted for consideration by the Committee. The Committee agreed to derestrict the documents listed in CPC/W/133.

Rotation of officers

11. The Chairman thanked members for their cooperation and assistance in carrying out the activities of the Committee. He said that in accordance with the Rules of Procedure of the Committee, the Chairmanship for the forthcoming period would be assumed by the representative of Romania and the Vice-Chairmanship by the representative of Turkey.

Next meeting

12. 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.