

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

CPC/W/140

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Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Draft Sixteenth 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 basis for the Protocol Relating to Trade Negotiations Among Developing Countries.²

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 participating in the Protocol submit to the CONTRACTING PARTIES their Sixteenth Annual Report.³

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 Negotiating Among Developing Countries, which entered into force on 11 February 1973, has been ratified by fifteen developing countries:

¹BISD 26S/203-205.

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

³The first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth, eleventh, twelfth, thirteenth, fourteenth and fifteenth 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, BISD 28S/129, BISD 29S/155, BISD 30S/203, BISD 31S/291, BISD 32S/191, BISD 33S/224, BISD 34S/218, and L/6399 and Addenda, respectively.

Bangladesh, Brazil, Chile, Egypt, India, Israel, Republic of Korea, Mexico, Pakistan, Peru, Romania, 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

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. As described in Section C below consultations have been sought on certain measures which have implications for benefits which participating countries may expect to derive from the arrangement. In connection 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 March, July and October 1989 under the Chairmanship of Messrs. L. Paunescu and V. Radu (Romania) and O. Gökce (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.

7. 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 of the Protocol. To this effect, the Committee has adopted procedures for review of the schedules of concessions. Pursuant to these procedures, consultations for the purpose of exchanging information and seeking clarifications have been carried out. The Committee has taken note of the exchange of views concerning the proposals to liberalize the conditions of access for some additional items of interest to participating countries without prejudice to activities in other fora concerning economic cooperation among developing countries. In this connection several members

have already submitted lists of items for which the conditions of access might be liberalized in the framework of the Protocol and have invited other members to submit their lists of items as soon as possible. Interested participating countries have carried out consultations in this respect. Two participating countries have included additional items in their respective schedules of concessions. The additional items included in the Schedule of Concessions of Israel on an autonomous basis are listed in the Annex and the consolidated Schedule of Concessions of Israel will be established in due course. Having regard to the Punta del Este Declaration and the Montreal Decisions concerning trade liberalization, participating countries have exchanged views on the procedures that might be used for seeking appropriate credit in the Uruguay Round Multilateral Trade Negotiations for further trade liberalization measures undertaken in the framework of the Protocol.

8. Israel and Yugoslavia have implemented the Harmonized Commodity Description and Coding System and revised accordingly the Schedules of Concessions embodied in the Protocol Relating to Trade Negotiations Among Developing Countries. Following consultations among interested participating countries, the revised Schedules of Concessions of Israel and Yugoslavia will be established pursuant to the Procedures for Rectifications of a purely formal character to the Schedules of Concessions.

9. Pursuant to Annex A of the Protocol, participating countries have updated information with respect to certification of origin.

II. STATISTICAL DATA

10. Available statistics indicate overall trade among participating countries in products contained in the schedules of concessions. Full details of reported trade in products subject to concessions are shown in addenda to this report.

ANNEX

LIST OF PRODUCTS ON WHICH ISRAEL HAS ELIMINATED TARIFF DUTIES
ON IMPORTS FROM COUNTRIES SIGNATORIES TO THE PROTOCOL RELATING
TO TRADE NEGOTIATIONS AMONG DEVELOPING COUNTRIES

Tariff Item (H.S.)	Description
3301.10	Essential oils of citrus fruit
4104	Leather of bovine or equine animals without hair on, other than leather of heading No. 41.08 or 41.09
4105	Sheep or lamb skin leather, without wool on, other than leather of heading No. 41.08 or 41.09
4109	Patent leather and patent laminated leather, metallized leather, containing acrylic or modacrylic fibres
ex 5106	Yarn of carded wool, not put up for retail sale, containing acrylic or modacrylic fibres
ex 5107	Yarn of combed wool, not put up for retail sale, containing acrylic or modacrylic fibres
ex 5108	Yarn of fine animal hair not put up for retail sale, containing acrylic or modacrylic fibres
ex 5109	Yarn of wool or of fine animal hair, put up for retail sale, containing acrylic or modacrylic fibres
ex 5110	Yarn of coarse animal hair or of horse-hair (including gimped horsehair yarn), whether or not put up for retail sale, containing acrylic or modacrylic fibres
5205	Cotton yarn (other than sewing thread), containing 85 per cent or more by weight of cotton, not put up for retail sale
5208	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing not more than 200g/m ²
5209	Woven fabrics of cotton, containing 85 per cent or more by weight of cotton, weighing more than 200g/m ²

Tariff Item (H.S.)	Description
5210	Woven fabrics of cotton, containing less than 85 per cent by weight of cotton, mixed mainly or solely with man-made fibres, weighing not more than 200g/m ²
5211	Woven fabrics of cotton, containing less than 85 per cent by weight of cotton, mixed mainly or solely with man-made fibres, weighing more than 200g/m ²
5212	Other woven fabrics of cotton
5403	Artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex
ex 5508	Sewing thread of man-made staple fibres, not put up for retail sale, containing acrylic or modacrylic fibres
ex 5509	Yarn (other than sewing thread) of synthetic staple fibres, not put up for retail sale, containing acrylic or modalacrylic fibres
ex 5510	Yarn (other than sewing thread) of artificial staple fibres, not put up for retail sale, containing acrylic or modacrylic fibres
ex 5511	Yarn (other than sewing thread) of man-made staple fibres, put up for retail sale, containing acrylic or modacrylic fibres
5512	Woven fabrics of synthetic staple fibres, containing 85 per cent or more by weight of synthetic staple fibres
5513	Woven fabrics of synthetic staple fibres, containing less than 85 per cent by weight of such fibres, mixed mainly or solely with cotton, of a weight not exceeding 170g/m ²
5514	Woven fabrics of synthetic staple fibres, containing less than 85 per cent by weight of such fibres, mixed mainly or solely with cotton, of a weight exceeding 170g/m ²
5515	Other woven fabrics of synthetic staple fibres

Tariff Item (H.S.)	Description
5516	Woven fabrics of artificial staple fibres
5806.3230	Other narrow woven fabrics of man-made fibres, made entirely of monofilament yarns of more than 150 denier, or made entirely of multifilament yarns of which the single and thinnest yarn is of more than 300 denier
5810	Embroidery in the piece, in strips or in motifs
5903	Textile fabrics impregnated, coated, covered or laminated with plastics, other than those of heading No. 59.02
1299	With polyvinyl chloride coated, other
2219	With polyurethane coated, other
2299	Other, coated
6406.20	Outer soles and heels, of rubber or plastics
9190	Heels and inner soles, of wood
9960	Part of footwear of other materials, including uppers
9607	Slide fasteners and parts thereof