

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

CPC/103

28 November 1989

Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Fifty-Fifth Meeting Held on 4 October 1989

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its fifty-fifth meeting on 4 October 1989 under the Chairmanship of Mr. O. Gökce (Turkey).
2. The draft agenda circulated in document CPC/W/138 was adopted.

Expansion of trade among developing countries

3. The Chairman referred to paragraphs 3-7 of the Summary of Discussions (CPC/100) of the last meeting. He said that at the last meeting, the Committee had agreed that following the circulation of the additional items which a participating country had decided to include in its schedule of concessions on an autonomous basis, the certification procedures for the establishment of consolidated schedules established in CPC/4 would be applied. The list of additional items submitted by Israel had been circulated in document CPC/99, dated 25 July 1989. The Committee took note that no objections had been raised within the prescribed time-limit and agreed that the certification of the consolidated schedule of concessions of Israel should be circulated in due course. The consolidated schedule of concessions of Israel will be circulated in document CPC/104.
4. The Chairman also recalled that the Committee had taken note of the comments made by members concerning the expansion of trade among developing countries and had agreed to revert to this question at its next meeting, to examine specifically the question of obtaining credit in the Uruguay Round for additional concessions established in the framework of the Protocol as well as the procedures that might be used to convey relevant information to the Uruguay Round bodies. He added that as suggested by some members, the secretariat had prepared and circulated an informal note which summarized earlier discussions in the Committee concerning this issue. Paragraph 8 of the informal note outlined possible questions for consideration by the Committee.

5. Several members noted that in the context of the Uruguay Round and the Montreal decisions, some developed countries had been urging developing countries to accept procedures for negotiations which would require them to make concession on an m.f.n. basis. These members stressed that the Protocol offered a transparent and GATT-sanctioned legal framework for developing countries to exchange additional tariff and trade concessions. Therefore, a number of members expressed support for the proposal to seek formal recognition and credit in the Uruguay Round for additional concessions established in the framework of the Protocol, whether on an autonomous or a negotiated basis. However, in their view, joint action by participating countries through the Committee of Participating Countries was preferable to pursuing individual initiatives.

6. Questions were raised with respect to the procedures which might be followed for exchanging concessions and for extending concessions to developing countries not members of the Protocol, eventual recourse to the GSTP, and the possible need for a waiver from GATT rules. Reference was also made to the element of timing. Some members recalled that the concessions put forward by a developing country in the context of the Montreal package for tropical products would be applicable only to other developing countries. Even though the Montreal package had led to interim and rather limited results, in their view, it would be useful to consider offering concessions on a preferential basis among developing countries as part of their contribution to the Uruguay Round.

7. In response to some questions, the representative of the secretariat said that the informal note on the expansion of trade among developing countries had been prepared with the aim of clarifying the issues and questions which had been raised at previous meetings of the Committee concerning possible procedures for seeking credit in the Uruguay Round for additional concessions exchanged in the framework of the Protocol. The note was factual and objective. It did not attempt to provide ready-made answers but was aimed at assisting in the collective reflection by members of the Committee on some possible approaches to this issue. In his view, the exchange of additional concessions among the member countries of the Protocol was a straightforward proposition which would not require any additional legal instruments. The extension of concessions included in the Protocol to developing countries not members of the Protocol was a more complex matter which would probably require the negotiation and drafting of an appropriate legal instrument with the participation of the interested developing countries. Such an instrument would have to determine the rights and obligations of participants exchanging concessions and might perhaps have to contemplate the establishment of additional or supplementary schedules of concessions. He added that having regard to the special situation of the least-developed countries in terms of the Protocol and the Punta del Este Declaration, the secretariat note had foreshadowed the possibility that participating countries might wish to extend concessions to non-signatory least-developed countries on an autonomous basis. In response to comments concerning the GSTP, the representative of the secretariat noted that the GSTP had only recently been notified to GATT

and that at present there was no linkage between the GSTP and GATT. In agreeing with members that had characterized the Protocol as an effective, transparent and GATT-sanctioned legal framework for developing countries to exchange trade concessions, he said that in his view it would be possible to bring into the Protocol concessions applicable only to developing countries negotiated within the Uruguay Round. Only if developing countries chose not to utilize the option offered by the Protocol for exchanging preferential concessions, would a waiver or some sort of ad hoc decision by the CONTRACTING PARTIES be required.

8. A number of members stressed the need to proceed within a time-frame compatible with the current negotiating programme which envisaged the conclusion of the Uruguay Round negotiations in 1990. In their view, the Protocol offered a pragmatic and fully operational instrument for the exchange of additional concessions applicable only to developing countries. These members suggested that the Committee, through its Chairman or the secretariat, might request the relevant bodies of the Uruguay Round to recognize that trade liberalization measures undertaken in the framework of the Protocol would be consistent with the global objectives of the negotiations. Moreover, in order to facilitate participation by all interested developing countries, simplified procedures for the accession of developing countries not members of the Protocol might be established. Insisting on the need for prompt and concerted action, the suggestion was made to draft a submission for presentation to the Trade Negotiations Committee seeking recognition in the Uruguay Round for the additional trade liberalization measures to be undertaken in the framework of the Protocol. Even though some members expressed interest in exploratory talks with developing countries not members of the Protocol, other participating countries felt that, at the present time constraints made it impractical to seek to exchange views with representatives from those countries. In their view, a submission addressed to the TNC for consideration at its December 1989 meeting would give ample notice to all developing countries of the initiative undertaken in the framework of the Protocol.

9. The Committee took note of the comments and suggestions made by members. On the understanding that all options would remain open, the Committee agreed to invite the secretariat to elaborate a draft note outlining possible procedures that might be followed to exchange additional tariff and trade concessions in the framework of the Protocol and to seek credit for those concessions in the Uruguay Round. The Committee also agreed to revert to the question of the expansion of trade among developing countries at its next meeting.

Yugoslavia - Schedule of Concessions

10. The Chairman referred to paragraph 8 of the Summary of Discussions (CPC/100) of the last meeting. He said that at the last meeting, the Committee had taken note that, in accordance with the procedures set out in CPC/4, the schedule of concessions of Yugoslavia revised in accordance with the Harmonized Commodity Description and Coding System had been circulated

in document CPC/97 for inclusion in a certification of rectifications to schedules. Certain corrections would be made to the revised schedule of concessions of Yugoslavia. The Committee of Participating Countries took note that in the light of the consultations undertaken among interested participating countries no objections existed to the revised schedule of concessions of Yugoslavia which had been circulated in document CPC/97. The Committee agreed that the schedule of concessions of Yugoslavia 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 Yugoslavia has been circulated in document CPC/102.

Israel - Schedule of Concessions

11. The Chairman referred to paragraph 10 of the Summary of Discussions (CPC/100) of the last meeting. He recalled that at the last meeting, the Committee had taken note that, in accordance with the procedures set out in CPC/4, the schedule of concessions of Israel revised in accordance with the Harmonized Commodity Description and Coding System would be circulated for inclusion in a certification of rectifications to schedules. The revised schedule of concessions of Israel had been circulated as CPC/101, dated 1 August 1989 and CPC/101/Corr.1, dated 30 August 1989. The Committee took note that no objections had been raised within the prescribed time-limit and agreed that the revised schedule of concessions of Israel should be included in a certification of rectifications to schedules. The revised schedule of concessions of Israel will be circulated in document CPC/104.

Certification of Origin

12. The Chairman referred to the additional information concerning certification of origin provided by Israel which had been circulated in document CPC/10/Addendum 37. The Committee took note of the information concerning certification of origin provided by Israel.

Annual Report

13. The Chairman said that the draft Sixteenth 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/140 and Addendum 1. Up to now only three participating countries i.e. India, Israel and Peru had provided the necessary statistical data so it would be desirable that other participating countries submit their data as soon as possible. Some members suggested amendments to paragraph 7 of the draft Report in order to indicate that the proposal to include a certain number of additional items in the schedules of concessions of participating countries had had substantial support in the Committee, and to refer to the revised schedule of concessions of Israel which would be circulated in an annex to the Report. Following the consideration of the

draft report, the Committee adopted the report circulated in CPC/W/140 and Addendum as amended 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

14. The Chairman referred to document CPC/W/139 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. The Committee agreed to derestrict the documents mentioned in CPC/W/139.

Next meeting

15. The Chairman indicated 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.