

GENERAL AGREEMENT ON

RESTRICTED

CPC/108

16 January 1990

TARIFFS AND TRADE

Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Fifty-Sixth Meeting Held on 6 December 1989

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its fifty-sixth meeting on 6 December 1989 under the Chairmanship of Mr. O. Gökce (Turkey).

2. The draft agenda circulated in document CPC/W/141/Rev.1 was adopted.

Expansion of trade among developing countries

3. The Chairman referred to paragraphs 3-9 of the Summary of Discussions (CPC/103) of the last meeting. He said that at the last meeting, the Committee had taken note of the comments and suggestions made by members and agreed to revert to the question of the expansion of trade among developing countries at the present meeting. On the understanding that all options would remain open, the Committee had agreed to invite the secretariat to elaborate a draft note outlining possible procedures that might be followed to exchange additional tariffs and trade concessions in the framework of the Protocol and to seek credit for those concessions in the Uruguay Round. The secretariat had circulated an informal note which contained preliminary suggestions for consideration by the Committee. Certain points raised in the draft note had been clarified in the course of informal consultations and the Chairman had been asked to prepare a draft statement which might be made on behalf of the Committee at the forthcoming TNC meeting. The draft statement was now available to delegations for comment.

4. A number of members expressed strong support for the initiative to seek credit in the Uruguay Round for trade liberalization measures that would be negotiated in the framework of the Protocol. In their view this initiative was fully consistent with the provisions of the Protocol and with Part I, Section B, in particular sub-section (iv) of the Punta del Este Declaration as well as with the relevant provisions in the Ministers' Decision at the Montreal Mid-Term Review concerning credit and recognition for bindings and liberalization measures adopted by participants in the Uruguay Round multilateral trade negotiations. These members stressed that since its inception the Protocol had been an effective, dynamic and fully transparent component of the framework of rights and obligations under the General Agreement. The schedules of concessions of participating countries were bound thus ensuring stability and certainty in the conditions of access. Moreover, the Annual Reports of the Committee of Participating

Countries to the CONTRACTING PARTIES had confirmed that the implementation of the Protocol had not had detrimental effects for the trade interests of contracting parties. These members felt, therefore, that the Chairman's draft statement should be expanded to underline the relationship between the Protocol and the General Agreement. These members added that the purpose of this initiative was two-fold. First, the achievement of further trade liberalization among developing countries. Second, the securing of due credit and recognition for those trade liberalization measures in the Uruguay Round. Therefore, in their view, the question of timing was of the essence for the success of the initiative. The Chairman of the Committee should make a statement, on behalf of the Committee, at the forthcoming meeting of the Trade Negotiations Committee asserting that the trade liberalization measures to be negotiated and bound in the framework of the Protocol were intended to be part of the contribution of these countries to the objectives of the Uruguay Round and stating their collective intention of seeking due credit and recognition for those trade liberalization measures within the Uruguay Round.

5. Some members noted that the draft Chairman's statement had been circulated very recently. Therefore, at the present meeting of the Committee, they would not be able to state their position as they were awaiting instructions from capitals. Without prejudging the issue in any way, some of these members raised certain practical questions in order to know whether the statement would be construed as a commitment to enter into negotiations within the framework of the Protocol, the manner in which the Uruguay Round TNC might be expected to establish credit or give recognition to trade liberalization measures negotiated in the framework of the Protocol, and the possible modalities for the participation in the initiative of developing countries non-members of the Protocol. In this connection reference was made to recent developments in the GSTP and the possibility of further trade negotiations among participants in that arrangement. A member said that this initiative might not be opportune until the outcome of the Uruguay Round negotiations had become clearer. Another member who noted that his country was in the midst of accession negotiations in GATT suggested that the Chairman might carry out informal consultations with developed and developing countries in order to ascertain the prospects of this initiative in the Uruguay Round context.

6. Other members of the Committee said that this initiative was entirely independent from and without prejudice to activities concerning economic cooperation among developing countries which might be pursued in other fora. In their view, a pragmatic approach to this issue in the context of the Protocol would proceed in two phases. First, a formal notification to the Trade Negotiations Committee of the decision by members of the Committee of Participating Countries, as part of their contribution to the Uruguay Round, to exchange tariff and trade concessions in the framework of the Protocol. Second, if the Uruguay Round trading partners appeared to be amenable to give due credit and recognition to such tariff and trade concessions, the Committee would establish the procedures and modalities for carrying out negotiations among interested developing countries. In calling on other participating countries to support this initiative, these members emphasized that it would constitute first and foremost a concrete and practical application of the principle of special and differential treatment.

7. The Committee took note of the comments made by members and invited the Chairman to revise the draft statement that might be addressed to the Uruguay Round Trade Negotiations Committee accordingly. The Committee agreed to invite the Chairman to pursue consultations with participating countries on the question of seeking credit in the Uruguay Round for additional tariff and trade concessions which might be negotiated in the framework of the Protocol. The Committee also agreed to revert to this matter at its next meeting.

Protocol for the Accession of Bangladesh

8. The Chairman recalled that the Protocol for the Accession of Bangladesh which had a three-year duration had been extended on several occasions. The request submitted by Bangladesh for an indefinite extension of the duration of the Protocol of Accession as well as a draft decision for consideration by the Committee of Participating Countries had been reproduced in document CPC/105. The representative of Bangladesh reaffirmed his country's interest in developing further trade relations with the members of the Protocol. Some members supported the request of Bangladesh. A member said that, as a matter of principle, his delegation would have difficulty in accepting legal instruments with indefinite exceptions. In his view, a time-limit however extended was necessary. The Committee agreed to extend the duration of the Protocol for the Accession of Bangladesh until 31 December 1999.¹

Term of office of the Chairman and Vice-Chairman

9. The Chairman recalled that the Committee had agreed to revert to the proposal to extend to one year the term of office of the Chairman and the Vice-Chairman. Some members said that the frequent changes in the leadership of the Committee were disruptive of its work and supported the proposal to extend the term of office to one year, on the understanding that the principle of rotation would continue to be observed.

10. The Committee agreed to extend to one year the term of office of the Chairman and Vice-Chairman and invited the² secretariat to revise the Rules of Procedure of the Committee accordingly.

Next meeting

11. 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.

¹The Decision extending the duration of the Protocol for the Accession of Bangladesh is reproduced in document CPC/106.

²The revised Rules of Procedure of the Committee are reproduced in document CPC/107.