

GENERAL AGREEMENT ON

RESTRICTED

CPC/109

1 May 1990

TARIFFS AND TRADE

Special Distribution

Preferential Arrangements
Among Developing Countries
Negotiated in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Fifty-Seventh and Fifty-Eighth Meetings
held on 26 March and 5 April 1990

Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its fifty-seventh and fifty-eighth meetings on 26 March and 5 April 1990, respectively, under the Chairmanship of Mr. O. Gökce (Turkey).
2. The draft agenda circulated in document CPC/W/142 and in the telex dated 30 March 1990 was adopted.

Expansion of trade among developing countries

3. The Chairman referred to paragraphs 3-7 of the Summary of Discussions (CPC/108) of the last meeting. He said that at the last meeting the Committee had exchanged views on the proposal that the Chairman should make a statement, on behalf of the Committee, at the meeting of the Uruguay Round Trade Negotiations Committee asserting the intention of seeking due credit and recognition within the Uruguay Round for trade liberalization measures to be negotiated and bound in the framework of the Protocol. As decided by the Committee, he had prepared a draft statement and undertaken consultations. The consultations had shown that while several members strongly supported this initiative, some other members had reservations. In view of the forthcoming meeting of the TNC, the Committee might consider whether the positions had evolved or remained unchanged.

4. A number of members expressed strong support for the initiative to seek credit and recognition 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 Punta del Este Declaration and the Mid-Term Review Decisions. Noting recent developments in some of the Uruguay Round negotiating groups and the decision to follow in certain areas a request and offer procedure, these members felt that, at this juncture, joint action by participating countries had become more significant and opportune. These members reiterated that this initiative had two basic objectives, namely: the achievement of further trade liberalization among developing countries and the securing of due credit and recognition for those trade liberalization measures in the Uruguay Round. They noted that the initiative would not detract from or be

detrimental to any other economic cooperation activities among developing countries and added that in and of itself this initiative did not constitute a commitment to enter into trade negotiations among participating countries but simply a means to ascertain the prospects offered by the Protocol for securing credit and recognition in the Uruguay Round for additional trade concessions which might be negotiated by participating countries. Its immediate aim was, therefore, to elicit the views of the other Uruguay Round participants and to help participating countries, and perhaps other interested developing countries, to find a formula to build into the structure of their Uruguay Round contributions a concrete element of special and differential treatment. In conclusion, these members supported a joint action by participating countries.

5. Some other members reiterated their reservations with regard to this initiative for two reasons. First, in the light of recent developments, in their view, the likelihood of obtaining credit and recognition in the Uruguay Round for trade liberalization measures negotiated in the framework of the Protocol appeared very uncertain. Secondly, their respective administrations which were under strain with the demands of the Uruguay Round negotiations would not be able to cope with simultaneous negotiations among developing countries in the framework of the Protocol. A member said that due to the absence of instructions her delegation was unable to take any position concerning this initiative.

6. Noting that the Uruguay Round procedures would allow the seeking of credit and recognition both for unilateral and collective trade liberalization measures, some members said that collective action in the framework of the Protocol was not indispensable for participating countries to pursue their individual trading interests in the Uruguay Round Negotiations. In their view the question of the expansion of trade among developing countries in the framework of the Protocol should be taken up after the conclusion of the Uruguay Round. While agreeing that individual action was always possible, other members said that in the Uruguay Round unity, mutual support and solidarity among developing countries was essential to increase their limited negotiating capacity. These members, therefore, supported collective action by participating countries as reflected in the statement of intent submitted by the Chairman, and in the absence of a common approach would reserve the right to pursue their trade interests and use the opportunities for trade liberalization offered by the Protocol on an autonomous basis.

7. In conclusion, the Chairman noted that members of the Committee had not been able to agree on a common course of action to seek credit and recognition in the Uruguay Round for trade liberalization measures negotiated in the framework of the Protocol. Without prejudice to the right of individual participating countries to act on an autonomous basis, the Committee had agreed to revert to the question of the expansion of trade among developing countries in the framework of the Protocol at the end of the Uruguay Round.

Certification of origin

8. The Committee took note of the information concerning certification of origin provided by Peru and Israel which had been circulated in documents CPC/10/Addendum 38 and Addendum 39, respectively.

Next meeting

9. 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.