

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

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### REPORT OF THE COMMITTEE ON TRADE AND DEVELOPMENT TO THE CONTRACTING PARTIES

Chairman: H.E. Ambassador Jesús Seade (Mexico)

#### Introduction

1. Since the Forty-Seventh Session of the CONTRACTING PARTIES in December 1991, the Committee on Trade and Development held two meetings, comprising its Seventy-Second and Seventy-Third Sessions. A Secretariat Note on the proceedings of the Seventy-Second Session was circulated in document COM.TD/132 and should be read in conjunction with this Report for a complete overview of the Committee's activities this year.

2. The Seventy-Second Session of the Committee was held on 13 July 1992. At this Session, the Committee reviewed recent developments in regard to the implementation of Part IV and the operation of the Enabling Clause. In this context, the Committee addressed some specific topics, including the Southern Common Market (MERCOSUR) and the extension of GSP treatment to Central and East European Countries and republics of the former USSR. The Committee reviewed the technical assistance activities to developing countries in the context of the Uruguay Round, and discussed some organizational aspects related to the work of the Sub-Committee on Trade of Least-Developed Countries. The Committee also continued its exchange of views on the question of its future work programme. Document COM.TD/132 contains the note on the proceedings of the Seventy-Second Session of the Committee.

3. For its Seventy-Third Session, held on 11 and 19 November 1992, the Committee had the following items on its agenda: review of the implementation of the provisions of Part IV and the operation of the Enabling Clause, including participation of developing countries in the multilateral trading system and Southern Common Market (MERCOSUR); technical assistance to developing countries in the context of the Uruguay Round; work of the Sub-Committee on Trade of Least-Developed Countries; annual report of the Committee of Participating Countries on the operation of the Protocol Relating to Trade Negotiations Among Developing Countries; future work programme of the Committee on Trade and Development.

Item (i): Review of the implementation of Part IV and of the operation of the Enabling Clause

- Participation of developing countries in the multilateral trading system;
- Southern Common Market (MERCOSUR)

4. The Chairman recalled that the topic of the participation of developing countries in the multilateral trading system under item (i) was on the provisional agenda in accordance with the decision taken by the Committee at its July 1992 meeting. The second topic under item (i) -- Southern Common Market -- was on the provisional agenda at the request of MERCOSUR countries. For the purpose of the review of the implementation of Part IV and of the Enabling Clause the Committee also had before it a number of notifications on GSP schemes as well as several notifications on preferential arrangements among developing countries. The Committee divided the discussion under the first item of the Agenda into three parts: (1) participation of developing countries in the multilateral trading system; (2) Southern Common Market (MERCOSUR); (3) notifications on GSP schemes and notifications on preferential arrangements among developing countries.

- Participation of developing countries in the multilateral trading system

5. The Chairman recalled that at its July 1992 Session, the Committee agreed to take up in the discussion at the present Session the question of the participation of developing countries, including the least-developed countries, in the multilateral trading system in the context of its regular review of the implementation of Part IV and of the operation of the Enabling Clause. The Committee also agreed that the Secretariat prepare a document which would facilitate the Committee's review of the participation of developing countries in the multilateral trading system. This note had been circulated in COM.TD/W/498. As was usual with such documents, the background note had been prepared under the Secretariat's responsibility. It was not intended that the document be submitted for adoption by the Committee. Its purpose was to facilitate, direct and focus a meaningful exchange of views among members in the Committee's debate on this agenda item. The Chairman further suggested that delegations consider the need for similar background notes for the regular end-of-year meetings of the Committee in order to facilitate its monitoring function and a more in-depth exchange of views on the question of participation of developing countries in the multilateral trading system. The contents of the background note would be adapted in accordance with the future work programme which might be agreed by the Committee at a later date. In this connection, the Chairman drew delegations' attention to the comments and suggestions contained in the Secretariat Note regarding notification and collection of information which might warrant examination by delegations with a view to improving the monitoring activities of the Committee, in the light of its future rôle. He believed that the note contained in COM.TD/W/498 offered a good basis for examining the participation of developing countries in the multilateral trading system. Its contents could be broadened for future

reviews and the analysis further developed if the Secretariat was given more time for preparing such background documentation on a regular basis. In this respect it was equally important that the Committee give the necessary guidance to the Secretariat as to the type of background documentation to be prepared and the issues to be analysed therein.

6. The representative of the Secretariat introduced the background note on the participation of developing countries, including the least-developed countries, in the multilateral trading system (COM.TD/W/498). He observed that this note, which had been prepared in response to the request of the Committee at its July 1992 Session, was a first experience. It contained information on developments in international trade that had a bearing on the trade and payments situation of developing countries as well as on developments in trade policies and in GATT activities of relevance to the review to be carried out under agenda item (i). Such documents had been prepared in the past but the present note attempted to include more information and to address, either in a direct or a more nuanced way, a number of issues of particular relevance to the participation of developing countries in the multilateral trading system. This document did not deal extensively with all issues, and its content might be improved and broadened in future. Such future improvements could relate both to information included and the analysis of various issues. In regard to information gaps, the note contained a number of suggestions which were aimed at improving the notification and collection of information. He had, for example, in mind paragraphs 85, 86 and 88. It was hoped that these suggestions, as well as other suggestions which might be put forward by delegations at the present Session, would improve the monitoring function of the Committee. In this connection, the importance of up-to-date information and data could not be overstressed. This was essential for the work of the Committee and the co-operation of governments was of utmost importance in this area. Ultimately the database in the Secretariat would be as good as governments wanted it to be. Perhaps a more structured informal discussion specifically on the question of notification and information could be usefully organized for early next year by the Committee's Chairman with the members of the Committee. An informal factual background paper could be prepared by the Secretariat in order to facilitate such a discussion among delegations. The analysis contained in the Note could go further as discussions in the Committee on this matter proceed, and more clear guidance on analysis required would emerge progressively from these discussions. Some references to possible issues for further or more in-depth examination had been made in the Note, for example in paragraphs 39 and 85 to 87. There would, of course, be other issues which delegations might wish to raise either at the present Session, or later.

7. Many representatives welcomed the opportunity of reviewing the participation of developing countries in the multilateral trading system and supported the Chairman's suggestion to conduct such reviews regularly at the end-of-year meetings of the Committee, on the basis of a background note prepared by the Secretariat.

8. Several representatives emphasized that such reviews would constitute a valuable exercise given the increased interest of developing countries to integrate themselves more fully in the multilateral trading system and the contribution that these countries had made in recent years to the preservation and strengthening of the system. As documented in the note prepared by the Secretariat (COM.TD/W/498) developing countries had demonstrated their growing interest in seeking fuller integration in the world economy and in the multilateral trading system through the adoption of far-reaching economic and trade reforms aimed at more market-oriented liberal trade régimes, new accessions to GATT, the increased interest in the activities carried out under the MTN Codes, and continued commitment of developing countries to a successful conclusion of the Uruguay Round. Moreover the import demand in a number of developing countries in Asia, Latin America and the Middle East had sustained the world economic activity over the past decade. It was also stressed that market-opening reforms -- which in many developing countries were being undertaken in spite of significant internal difficulties and obstacles to trade in external markets -- had to be matched by their trading partners through improved market access for developing-country exports in the Uruguay Round and a favourable international trading environment. This in turn would enhance the growth of world economy and of international trade.

9. Commenting upon developments in international trade and in trade policies several other representatives expressed concern over the deterioration of the terms of trade of a large number of developing countries including the least-developed countries. Serious concern was also expressed at the increase in anti-dumping investigations affecting developing-country exports which had an adverse impact on their trade. One representative suggested examining the possible mechanisms for compensating least-developed countries for losses resulting from the deterioration of their terms of trade.

10. Several representatives said that in reviewing the participation of developing countries in the multilateral trading system appropriate attention should be given to the international trading environment, trade policies of developed countries that had a bearing on developing countries' trade and the interaction between trade policies of developed and developing countries.

11. Many representatives felt that the background note prepared by the Secretariat provided a useful factual basis for reviewing the participation of developing countries in the multilateral trading system and supported the preparation, on a yearly basis, of background documentation for future reviews in the Committee. Such documentation should be broadened in terms of issues covered and its contents made more analytical in order to enable the Committee to improve the quality of its future reviews.

12. Some representatives observed that the note prepared by the Secretariat contained a more disaggregated analysis of the participation of developing countries in international trade and the multilateral trading system. This approach should be continued as it contributed to better reflect the specific situations and problems in developing

countries. It was also stated that in order to improve the analytical content of the background note the Secretariat should receive more clear guidance from the Committee as to the type of documentation required. Some other representatives stressed that the Secretariat should be given the necessary freedom in developing its analysis for future reviews.

13. Some representatives felt that in future analyses more attention should be paid to the participation of developing countries in trade in services as well as to the issues pertaining to other new areas, such as TRIMs and TRIPs. Some other representatives said that the analysis of international trade should be kept in a condensed form and avoid duplication with work carried out in other fora. Several representatives stressed that greater analytical emphasis should be placed on trade policy issues and developments.

14. Several delegations emphasized the importance of keeping under review the efforts made by developing countries to liberalize their trade régimes in conjunction with the efforts made or that might be made by developed countries to ensure an international trading environment propitious to trade liberalization policies. The importance of ensuring updated information on these developments including through closer contacts between delegations and the Secretariat was also emphasized. It was also suggested that the question of credit and recognition for trade liberalization measures undertaken by developing countries after the Uruguay Round be addressed by the Committee in its future work.

15. A number of delegations suggested other specific topics that warranted greater analytical emphasis in future documents by the Secretariat. These included: trends under the GSP schemes, trade measures that had a significant bearing on developing-country trade, the impact of preferential trading arrangements, ways of supporting developing countries in the implementation of structural adjustment programmes, trade and environment, trade in textiles, commodity prices, developing countries' participation in MTN Codes, the impact of anti-dumping practices and countervailing duties on developing-country trade, trade initiatives of developing countries for enhancing trade amongst themselves, technical assistance on trade-related issues available under programmes carried out by individual governments including those of developing countries, and reference to relevant developments in other international fora.

16. Some representatives referred to the question of improving the collection of information and notification procedures. One representative urged members of the Committee to improve notifications in accordance with existing requirements in this area. Another recalled that the Draft Decision on notification procedures included in the December 1991 Draft Final Act embodying the results of the Uruguay Round provided for a thorough review of all existing notification obligations. Therefore any further examination in the Committee of the question of information and notification should keep in mind that Decision. Some representatives said that the suggestions put forward in this respect by the Secretariat warranted further reflection.

17. Several delegations pointed out that the information contained in the Annex on trade liberalization measures undertaken by developing countries needed to be updated. Some representatives provided additional information on their trade liberalization measures during the debate. This information included India's new system of partial convertibility introduced under its 1992/93 budget and elimination of the import licensing system in Pakistan and Romania. The representatives of Argentina and Mexico also pointed out that the information contained in the Annex regarding their respective trade liberalization measures needed to be updated.

18. In concluding the debate on the participation of developing countries in the multilateral trading system the Chairman said that the Committee had a very useful and positive exchange of views. He expressed appreciation for the comments made by delegations which would help to improve the background note by the Secretariat in future and in particular to strengthen its analytical content. A number of suggestions had been made on additional issues to be addressed in future documentation and the Secretariat had taken note of them. While the Secretariat had been encouraged to take a more analytical approach it was also generally felt that the Secretariat should have a free hand in this respect. The factual corrections and comments made by delegations regarding certain aspects of the background note had also been noted. He would encourage delegations to maintain a close contact with the Secretariat and provide future information updates. While the discussion had been useful and interesting, delegations tended, with some exceptions, to focus on the document prepared by the Secretariat rather than on the question of the participation of developing countries in the multilateral trading system. He believed that in future reviews the substantive debate should take greater importance since the background documentation could only serve as a basis for the discussion and the review which had to be conducted by the Committee itself.

19. The Chairman also believed that the Committee should avoid turning its reviews into an academic exercise, but maintain a pragmatic and flexible approach. It was equally important to keep in mind the mandate of the Committee which did not have a negotiating rôle. As to the issues proposed for a more in-depth analysis, such as unilateral trade liberalization measures, the Secretariat would certainly keep in mind all the suggestions made, but the Committee itself might also envisage to select some specific issues for a more comprehensive examination at its summer sessions. This suggestion might be subject to informal consultations early next year.

20. As regards the suggestion made by the Secretariat concerning an informal and more structured discussion on the question of information and notification, the Chairman suggested holding such a discussion in January or February 1993.

21. The Committee agreed to continue reviewing, at its end-of-year meetings, the participation of developing countries in the multilateral trading system on the basis of a background document prepared by the Secretariat. This on-going exercise would be without prejudice to any

decision that the Committee might take at a later stage on its Future Work Programme. The Committee also agreed that an informal discussion on the question of information and notification be held early next year.

22. The representative of the Secretariat expressed appreciation for the comments and suggestions made by delegations on the background note by the Secretariat which had been carefully noted. The Secretariat was also grateful for the trust demonstrated by Committee members and the intellectual freedom given to the Secretariat in producing a more analytical document for future reviews. As previously stated, the availability of updated and high-quality information provided by delegations played a key rôle in this regard. The Secretariat would be in close contact with them and the informal discussion to be held on the question of information and notification early next year would certainly be very useful in improving the quality of the background documentation to be prepared for future reviews.

23. The representative of the International Monetary Fund, speaking as an observer, drew delegations' attention to the question of the trading environment in which developing countries operate, and the interlinkages between the trade policies and practices of developed and developing countries, which had been the subject of successive sessions of the IMF-IBRD Development Committee. The documentation of these sessions was available and could complement the background information on this subject-matter.

24. The Committee took note of the information provided by the representative of the IMF.

- MERCOSUR Agreement

25. The Chairman recalled that this topic had been examined at the last Session of the Committee in July 1992. At that meeting a proposal had been put forward to the Committee containing the elements of a possible compromise for the examination of the MERCOSUR Agreement (COM.TD/132, paragraph 18). Since a consensus had not been reached on this matter, the Committee had authorized its Chairman to hold informal consultations with interested delegations on the question of the examination of the MERCOSUR Agreement. The Chairman informed the Committee that although some progress had been made in his consultations no agreement had so far been reached. During those consultations, the proposal put forward at the July Session had been further elaborated on. The new text was being circulated to the Committee as a non-paper for transparency purposes and on the Chairman's own responsibility. He stressed that no agreement had been reached on this text, but that it might serve in future informal consultations which the Chairman intended to hold if the Committee did not object to this. The text read as follows:

"PROCEDURES FOR MERCOSUR EXAMINATION  
Elements for a Compromise

1. The Committee on Trade and Development, under the relevant provisions of the Enabling Clause, decides to establish a Working Party to examine the Southern Common Market Agreement (MERCOSUR).
2. The examination in the Working Party would be based on a complete notification and on written questions and answers.
3. The examination in the Working Party will be conducted in the light of the relevant provisions of the Enabling Clause and of the General Agreement, including Article XXIV.
4. The Working Party would submit its report and recommendations to the Committee for transmission to the CONTRACTING PARTIES. A copy of the report would also be transmitted to the Council."

26. The Committee took note of the information provided by the Chairman and of his intention to pursue informal consultations on the matter.

GSP notifications and notifications on preferential arrangements among developing countries

27. For the purpose of its review at the present Session, the Committee had before it notifications received from Japan (L/7035), New Zealand (L/7073), Norway (L/7042), Sweden (L/7075) and the United States (L/7074) concerning their respective GSP schemes since the Seventy-Second Session in July 1992. In addition to the notifications on MERCOSUR, notifications on preferential arrangements concluded among developing countries had also been received from the ASEAN contracting parties (L/7111), the Andean Group (L/7088, L/7089), and Turkey on behalf of the members of the Organization of Economic Cooperation (L/7047).

28. The Chairman recalled that following the discussion at the July 1992 Session of the Committee on the question of extension of GSP treatment to Central and East European countries and republics of the former USSR, he had conducted informal consultations on both aspects raised in the Committee in connection with this matter, i.e., the GATT legal basis of the extension of GSP treatment to the countries concerned, and the appropriateness of a study by the Secretariat on possible effects of such extension on the exports of developing countries. Since these consultations had not yet led to a final result, the Chairman proposed to conduct further informal consultations on the matter. The Committee agreed to this proposal.

29. The representative of Thailand, speaking on behalf of the ASEAN contracting parties, namely, Indonesia, Malaysia, Philippines, Singapore, and Thailand, introduced the progress report on trade co-operation among ASEAN member States since October 1989, in pursuance to the provisions of the Enabling Clause (L/7111). He noted that the intra-ASEAN import value as a percentage of ASEAN imports from the rest of the world continued to



remain small, representing in 1989 0.45 per cent. This was a clear indication that the ASEAN Preferential Trading Arrangement (PTA) had been outward-looking. Since their last report, the ASEAN countries had decided to introduce a concession scheme, the so-called Common Effective Preferential Tariff Scheme (CEPT), aimed at enhancing their efforts toward greater trade liberalization. The concessions under the Scheme were still being negotiated in capitals. Their implementation would commence on 1 January 1993 and it would be staged over a period of fifteen years. The CEPT was meant to be outward-looking and would be GATT-consistent. The existing PTA and the CEPT would be the principal mechanisms through which the ASEAN contracting parties aimed to achieve the ASEAN Free Trade Area (AFTA) within the fifteen-year period. The Framework Agreement on Enhancing ASEAN Economic Cooperation establishing the AFTA had been agreed by the ASEAN Heads of State at their meeting in Singapore in January 1992.

30. Some representatives welcomed the report submitted by the ASEAN contracting parties. One representative noted with interest the reference in the report to an ASEAN free-trade area and to the agreement on the CEPT scheme to be implemented as from 1 January 1993. Her Government considered that this agreement should be notified under Article XXIV and its GATT consistency be examined in a working party. Another representative stated that her Government had no problems with the general concept of free-trade areas provided these were consistent with the commitments to a free and open multilateral trading system and were not developed as exclusive trading blocks. The ASEAN free-trade area appeared to meet these criteria. Nonetheless, this preferential arrangement involved a major derogation from Article I and should be examined by a working party under the Enabling Clause. A similar process had taken place in a working party established by the GATT Council in 1979 when the ASEAN arrangement was first notified. Sufficient time had elapsed since then for a new review to be warranted.

31. The representative of Thailand took note of the comments made by the previous speakers. He emphasized that AFTA was one of the policy objectives of the ASEAN Economic Cooperation Agreement. ASEAN member States were in the process of negotiations on a broad economic framework that would take up to fifteen years to be fully implemented. During this period, ASEAN contracting parties would continue to report pursuant to the Enabling Clause provisions. The representative of Malaysia added that AFTA aimed at enhancing intra-ASEAN economic co-operation that would cover trade, transport, tourism and other economic activities. However, at present, the ASEAN contracting parties were only dealing with the trade aspects of AFTA related to the Common Effective Preferential Tariff (CEPT) whose objective was the establishment of common tariffs ranging between 0-5 per cent on manufactures and processed agricultural products within a fifteen-year period. This objective was very limited in scope and could not be compared with the establishment of a free-trade area or of a single market. However, schemes leading to greater liberalization of transport, finance, banking and agricultural sectors for enhancing the economic cooperation among the ASEAN member States would be established in future.

32. One representative said that, although a certain period was needed for the implementation of such an important agreement, its examination

could not take place after fifteen years. His Government was interested in examining the Agreement in the near future and believed that the Chairman should conduct informal consultations to discuss the provisions under which this Agreement would be examined. This view was supported by another representative.

33. The representative of Thailand stated that the notification by the ASEAN contracting parties at this Session of the Committee was in compliance with the 1979 Decision of the CONTRACTING PARTIES and the Enabling Clause. But he would agree to discuss further the matter or any development in relation to AFTA in a future meeting of the Committee.

34. The Committee agreed to authorize its Chairman to conduct some informal consultations on the matter.

35. The representative of Venezuela, speaking on behalf of the ANDEAN member States, said that the notifications contained in documents L/7088 and L/7089 referred to recent decisions adopted by the Board of the Cartagena Agreement and to activities carried out under the Agreement. These reports were submitted for information of the Committee in accordance with the Enabling Clause. Any request for further clarification should be addressed to the Secretariat of the Cartagena Agreement through the GATT Secretariat.

36. The representative of Colombia drew attention to several decisions adopted by the Board of the Cartagena Agreement concerning the establishment of a common external tariff as of 31 October 1992 with tariff levels of 5, 10, 15 and 20 per cent, the implementation of a free-trade area for Bolivia, Colombia, Ecuador and Venezuela as at 30 September 1992, the establishment of free access to sea-borne cargo on a basis of reciprocity, and the adoption of significant measures of liberalization regarding air transportation services. These important steps took the ANDEAN Group further in their process in integration and liberalization of trade.

37. The representative of Turkey, speaking on behalf of the Economic Cooperation Organization comprising Iran, Pakistan and Turkey, introduced the notification contained in document L/7047 regarding the additional Protocol on Preferential Tariffs included among the three countries pursuant to paragraph 2(c) of the Enabling Clause. The Protocol provided for a 10 per cent tariff reduction on a number of products which were listed in the Annex to the report which would be implemented upon completion of the ratification procedures in the respective capitals.

38. The representative of Pakistan added that the Economic Cooperation Organization's aim was to intensify economic relations between the three neighbouring countries which had historical and cultural links. The Protocol on Preferential Tariffs was aimed at achieving steady expansion of intra-regional trade on an overall reciprocal and mutually-advantageous basis. In order to qualify for concessions, the products, as included in the indicative list, should either be wholly-produced in a member country or contain not more than 50 per cent of foreign contents on f.o.b. basis.

39. The Committee took note of the statements.

Item (ii): Technical assistance to developing countries in the context of the Uruguay Round

40. The Chairman recalled that the Committee had reviewed, periodically, the technical assistance provided by GATT to developing countries in the context of the Uruguay Round. The last review of technical cooperation activities had been undertaken by the Committee at its Seventy-Second Session in July 1992, on the basis of an oral report by the Secretariat. For this Session, the Secretariat had prepared a note outlining the GATT technical assistance activities since October 1991 (COM.TD/W/499). As agreed by the Committee at its Sixty-Third Session in April 1988, governments and international organizations providing technical assistance to developing countries in relation to work in the Uruguay Round were invited to keep the Committee periodically informed of activities that they had carried out, as well as of facilities that were available under their programmes. The Chairman also recalled that the Committee had initiated, at its previous sessions, an exchange of views on the future technical cooperation programme of the GATT. In the course of those discussions it had been emphasized that this programme should be strengthened, and its effectiveness increased in order to better respond to the present needs of developing countries resulting from their increased participation in the GATT system and from the complexity of issues in the multilateral trading system. At the July 1992 Session of the Committee, it was also suggested that the Secretariat might, at an appropriate time, prepare the basis for a more structured discussion on this issue at a future meeting of the Committee.

41. A large number of developing-country representatives expressed appreciation for the technical assistance provided by the GATT Secretariat. The technical cooperation programme of the GATT continued to include a variety of activities which were designed to respond to specific needs of developing countries and the assistance provided had been of a high quality. The Technical Cooperation Division had consistently made a very valuable contribution in helping developing countries to improve their participation in the Uruguay Round, and in particular in preparing initial offers in negotiations on market access and services. The assistance provided by this Division reflected its commitment to the promotion of the GATT system in general, and to fuller integration of developing countries into the international trading system. One developing-country representative highlighted the importance of the technical assistance received by his country in preparing its report in the context of the Trade Policy Review Mechanism. Appreciation was also expressed for the technical assistance provided by other international organizations such as the World Bank, SELA and UNCTAD. One representative underlined the importance of the World Bank's and UNCTAD's assistance in relation to the "Software for Market Analysis and Restrictions on Trade" Programme ("SMART"), and hoped that this form of assistance would continue.

42. The importance of strengthening the technical cooperation resources of the GATT at the end of the Uruguay Round in order to help developing countries understand the complexity of the instruments negotiated within

the framework of the Uruguay Round and implement the results of the Round was reiterated, while one representative noted the increase in technical assistance resources under the 1993 GATT Budget and hoped that this trend would continue. Representatives also expressed appreciation for the contribution made by individual countries in enabling certain projects to be undertaken. It was hoped that such future voluntary contributions would continue and increase in order to strengthen technical assistance activities.

43. One representative suggested that developing countries be given technical assistance in defining modalities to receive credit and recognition for their autonomous liberalization measures. It was also stressed that the best technical assistance to developing countries would be a successful conclusion of the Uruguay Round. A least-developed country representative emphasized that technical assistance should be provided on a regular basis to least-developed countries given their special situation. Moreover, technical assistance from donor countries in terms of equipment, such as computers, would also be needed in certain cases.

44. In concluding the debate on this issue, the Chairman noted the unanimous appreciation of the importance and quality of assistance provided by the Secretariat and, particularly, by the Technical Cooperation Division. He also noted the widespread support expressed for the continuation and strengthening of the Technical Cooperation Programme after the conclusion of the Uruguay Round.

45. One representative reiterated his country's proposal, which had been made at the July 1992 meeting, that the Secretariat prepare an assessment of the Draft Final Act highlighting the benefits and obligations for developing countries resulting from the Uruguay Round, and hoped that action could be taken in this regard in the near future. Several representatives expressed support for this proposal. While acknowledging that the proposal was interesting, some other representatives observed that such an assessment could not be made until final agreement was reached in the negotiations and recalled that the Group of Negotiations on Goods had been mandated to carry out an evaluation of application of differential and more favourable treatment in favour of developing countries.

46. The representative of the Secretariat observed that the Secretariat could not carry out an evaluation of a negotiation which was still underway. Such an assessment could only be made by negotiating parties themselves. He recalled that the Punta del Este Ministerial Declaration provided for an assessment of the Uruguay Round from the perspective of developing countries' interests, to be carried out in the Group of Negotiations on Goods. After the completion of the negotiations, the Secretariat would be in a position to carry out a factual assessment of the results by providing information and statistical data on the overall results, which would enable governments to make their own assessments as far as their trade interests were concerned. Moreover, the Technical Cooperation Division would provide technical assistance upon the request

of individual countries, including any required information and statistical data, if available, in order to assist them in making an assessment of the negotiations.

47. The Chairman said that this idea could be usefully pursued in the framework of the negotiating structure of the Uruguay Round, in particular within the Group of Negotiations on Goods, in accordance with the mandate given to it in the Punta del Este Ministerial Declaration. He doubted that the Committee was the appropriate forum for dealing with this matter given its mandate and membership which was not the same as in the Trade Negotiations Committee.

48. The Committee took note of the statements.

Item (iii): Work of the Sub-Committee on Trade of Least-Developed Countries

49. The Chairman recalled that the Committee should appoint the Chairman of the Sub-Committee on Trade of Least-Developed Countries for 1993. It was his understanding that there was a consensus to re-appoint Ambassador E. Selmer (Norway) for a new term of office and he proposed that he be so re-appointed by the Committee. It was so agreed.

50. The Chairman further said that since the Sub-Committee had not held a meeting before this Session of the Committee, delegations might wish to raise any other matters of relevance to the work of the Sub-Committee under this item of the Agenda.

51. The Chairman of the Sub-Committee on Trade of Least-Developed Countries informed the Committee that the Sub-Committee's Fourteenth Meeting had been convened on 6 October 1992. However, since the attendance had been inadequate, the meeting had been cancelled, and a future date would be established in consultation with the Secretariat and interested delegations. Such a meeting could not have been convened prior to the present Session of the Committee.

52. A least-developed country representative expressed gratitude to Amb. E. Selmer for accepting to Chair the Sub-Committee for 1993. He also drew attention to the special situation of least-developed countries which continued to face domestic and external constraints. The low level of external resources placed severe constraints on potential investment in these countries. The deterioration in the terms of trade had deepened the balance-of-payment deficit and the debt burden had further aggravated the situation. In spite of this, these countries had undertaken trade liberalisation measures which might produce results if appropriate support was available from developed trading partners. While the share of least-developed countries in world trade was negligible, improved access to markets for their exports, including in the context of the Uruguay Round, would support their reform measures and facilitate the development of a more efficient and productive economy. This should be reinforced by adequate financial and technical assistance. He hoped that the proposals of the least-developed countries would be duly taken into consideration in the Uruguay Round. These proposals needed to be pursued in the

negotiating structure of the Round in an appropriate manner. Finally, he expressed the hope that the Sub-Committee on Trade of Least-Developed Countries would meet as soon as possible.

53. Another least-developed country representative fully endorsed the statement made by the previous speaker. She also said that as a new member of the Sub-Committee, her country would be an active participant and hoped that concrete work would be achieved to assist least-developed countries in their economic and trade programmes, as well as in their efforts to integrate themselves into the multilateral trading system.

54. The Committee took note of the statements.

Item (iv): Annual report of the Committee of Participating Countries on the operation of the Protocol relating to Trade Negotiations among Developing Countries

55. The Committee adopted the Nineteenth Annual Report of the Committee of Participating Countries concerning the operation of the Protocol relating to Trade Negotiations among Developing Countries (L/7106 and Addenda) for submission to the CONTRACTING PARTIES.

Item (v): Future Work Programme of the Committee on Trade and Development

56. The Chairman recalled that at its July 1992 Session, the Committee had a preliminary exchange of views on the question of its future work programme, on the basis of an informal paper circulated to delegations, which contained points related to the regular activities of the Committee and additional elements for consideration in relation to its future work (Annex I of COM.TD/132). The Committee agreed to the first element of the "Monitoring Activities" in the draft programme requesting the Secretariat to prepare for the next meeting of the Committee, and thereafter on a regular basis, the background documentation which had been discussed and agreed at the present Session under the first item of the Agenda. Although the Committee had also agreed to revert to the question of the draft future work programme at this meeting, the Chairman deemed that it might be useful if the Committee were to revert to this question at its future meetings. Finally, the Chairman expressed the hope that the Committee, in its future work, would be in a position to carry out an open and frank dialogue on the major issues under its responsibility, thus strengthening the Committee and providing greater vitality to its central rôle within the GATT system.

57. One representative recalled that in future discussions on its Future Work Programme, the Committee should keep in mind to address the question of trade and environment, in the light of the responsibilities that might be given to it as a result of the on-going consultations by the Council Chairman on the UNCED follow-up.

58. The Committee took note of the statements and agreed to revert to the question of its Future Work Programme at its next meeting.

Next meeting of the Committee

59. The Committee agreed that the date of its next meeting would be established by the Chairman of the Committee in consultation with delegations and the Secretariat.