

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Trade Negotiations Committee of Developing Countries

PROCEEDINGS OF THE NINTH MEETING

Held in the Palais des Nations, Geneva,
on Monday, 19 October 1970, at 11 a.m.

Chairman: Mr. O. LONG

Subject discussed: Arrangements for consultations and negotiations at expert level

1. In opening the meeting, the Chairman recalled that at the June meeting of the Committee a wide measure of agreement had been reached to accelerate the negotiations by bringing together delegations from participating countries, reinforced as required by experts from capitals, for a sufficient length of time with a view to enabling them to consult and negotiate on requests and offers so far submitted and thereby to lay the foundation for a successful conclusion of the negotiations within the near future (TN(LDC)32). As had been indicated in the airgram dated 28 September, the purpose of the present meeting was to discuss arrangements and programme of work for the consultations. Experts from capitals of eight participating countries were already present and it was hoped that other participants in the negotiations would soon be in a position to have their experts in Geneva.
2. In the perspective of the important agreements which had been reached in UNCTAD the week before, looking forward to the early application of a general system of preferences in favour of exports from developing countries to the markets of developed countries, it seemed both timely and appropriate to review and intensify efforts at co-operation among the developing countries themselves. The trade negotiations initiated in the Committee could no doubt make an important and positive contribution to this objective and could lead in due course to the building up of sufficiently broad arrangements in which not only the countries at present participating in these negotiations but others could also eventually participate.
3. The Chairman drew attention of the Committee to the secretariat paper INT(70)131 in which the general background of the negotiations had been set out for the information of the participating countries. Annexed to it were certain working rules for the negotiations as generally agreed upon by the Committee at its meeting in February 1970 (TN(LDC)27). Further, a number of practical arrangements had been made with a view to facilitating the work of the delegations concerned (INT(70)136). He welcomed the presence of the representatives of UNCTAD at the meeting and the willingness of the UNCTAD Secretariat to co-operate with GATT in extending technical assistance to delegations.
4. As for the arrangements and programme of work for the consultations, the Chairman suggested that in the first phase of the work priority might be given to the tabling of offers. Those delegations who had already been in a position to do so could,

without waiting for the results of bilateral contacts with other participants, present their provisional offers to the secretariat for circulation to other delegations in accordance with any specific observations they might wish to make in that regard. Those participating countries which did not yet have their offers ready might start consultations with those delegations with whom they would wish to negotiate in order to see how these offers might be formulated. On the basis of requests received and consultations held with other delegations, each participating country should be in a position to indicate the concessions it would be willing to offer within a period of three weeks. Further bilateral consultations could then be held on the basis of the offer lists and with the participation where possible of other countries interested in particular items or groups of items. It would, of course, be necessary to keep under review from time to time the progress achieved in the negotiations. The aim of the exercise should be to have a comprehensive appraisal of requests and offers completed by mid-December so as to enable the final phase of the negotiations to start as early as possible next year. The Chairman enquired whether delegations had any comments or suggestions as to the programme of work suggested.

5. The representative of India said that it was practically five years ago that the Working Party on Preferences was established to deal with (a) the granting of generalized, non-discriminatory and non-reciprocal preferences by industrialized countries to developing countries as a whole; and (b) the granting of preferences by developing countries to other developing countries. As the general schemes of preferences by developed countries in favour of developing countries had now taken shape, it had become all the more pressing and desirable for developing countries to put in an accelerated effort to establish a preferential system among themselves. He added that experts would be present in Geneva to take up substantive consultations and negotiations with countries which wished to negotiate with India.

6. The representative of Mexico said that experts from Mexico were expected in Geneva. He appealed to the negotiating countries to bring maximum dynamism to the trade negotiations with a view to achieving positive results for the benefit of all concerned.

7. The representative of Brazil said that his Government viewed these negotiations as an exercise leading to the establishment of preferential arrangements among developing countries. The agreed rules for the negotiations should, therefore, be strictly observed throughout the negotiations. Brazil maintained that the participating countries should be in a position to exchange effective concessions aimed at establishing better tariff treatment for imports of the products concerned from developing countries than was extended to like products from developed countries. The negotiated preferences should not be extended by developing countries to developed countries. He added that there were a number of participating countries which either had or were in the process of having association agreements with the European Economic Community. In most cases such agreements contained a provision to the effect that "Subject to special provisions in respect of frontier trade, the treatment accorded by developing countries to products originating in the Community may in no case be less favourable than that accorded to products

originating in the most-favoured third State". It was not clear to him how these countries could afford preferential concessions to other developing countries in the context of these negotiations which were not automatically extended to the Community. He sought clarification from participants who had such arrangements having regard to the aims and objectives of the negotiations.

8. The representative of Spain said that he was aware of the point raised by the representative of Brazil. The Spanish authorities would no doubt take up the matter with the Community if the negotiations among developing countries were to achieve substantial progress. Without trying to anticipate the outcome of such consultations, he added that, in the context of these negotiations, it should be possible for developing countries to secure at least the same treatment for certain items as was granted by Spain to the European Economic Community.

9. The representative of India, speaking in connexion with the point raised by the representative of Brazil, observed that the concept of the generalized system of preferences was that it would create a new trading relationship between the developed and the developing world, would mark the end of existing preferences and would eliminate the existing discrimination in world trade. The exchange of preferences among developing countries was another aspect of the same concept and would enable these countries to establish a similar trading relationship between themselves. Putting aside the legal issues, it was not clear that the countries which had established agreements of association with the Community were still in a position to give any exclusive concessions to developing countries. For this reason his Government had not found it possible to address request lists in the context of the negotiations among developing countries to such countries. A clearer understanding on the questions raised was necessary before considering implications of participation of such countries in the work of the Trade Negotiations Committee. He supported the idea that this matter should be further discussed informally between delegations before it came up in the Committee with a view to finding a solution satisfactory to all concerned.

10. The Chairman observed that although the points raised had an important bearing on the trade negotiations among developing countries, he did not consider that the Trade Negotiations Committee was the proper forum to deal with the question of validity or otherwise of such association agreements under Article XXIV of the General Agreement. As these questions had already been debated and would no doubt be further debated in GATT, it would be advisable to limit, at the present stage, the deliberations in the Committee to matters for which it had been convened. He suggested that the delegations might discuss, to begin with, this matter between themselves informally. It might also be desirable for countries participating in these special arrangements to put themselves in a position to clarify the issues that had been raised.

11. The representative of Ceylon stated that the programme of work as outlined by the Chairman was acceptable to his delegation. He pointed out that the draft working rules which the Committee had agreed to adopt for the negotiations had not specifically provided for the procedures under which concessions would be applied

to developing countries who had not effectively participated in the negotiations. A decision on this matter had been laid by. He stated that effective participation by developing countries in the negotiations was conditioned by the varying levels of development of the participating countries and he urged that the interpretation of "effective" participation would not result in discrimination against any country. Ceylon was participating in the negotiations on this basis.

12. The Chairman observed that this question had already been debated in the Committee on several occasions and it was generally agreed that the Committee could usefully come back to this matter only when the final scope and contents of the negotiations were known.

13. The representative of Israel stated that her delegation was in full agreement with the proposed work programme. Experts from her country would be present shortly and would take up bilateral consultations and negotiations with the countries which wished to negotiate with Israel. The point raised by the representative of Brazil was relevant and had an important bearing on the negotiations. She indicated that her Government intended to apply the concessions resulting from these negotiations to developing countries only and that it would make whatever arrangements were necessary in order to enable it to do so.

14. The representative of Brazil welcomed the statement made by the representative of Israel. He added that his Government was participating in the negotiations on the specific understanding that it would not assume any obligations unless these questions were finally resolved to the satisfaction of all concerned. His delegation would go ahead with bilateral consultations but the negotiated concessions would not be brought into effect unless the basic problems to which he had referred were settled.

15. The representatives of Argentina and Chile indicated acceptance of the work programme proposed by the Chairman and stated that their participation would be based on the understanding spelled out by the representative of Brazil. They hoped that the representative of Spain would be in a position to clarify the position of his Government along the lines of the indication given by the representative of Israel.

16. The representative of Yugoslavia said that his Government attached great importance to these negotiations. The Yugoslav experts were already present and ready to undertake bilateral consultations and negotiations with the countries which wished to negotiate with Yugoslavia. His Government had addressed requests to a number of participating countries which had association agreements with the Community and he hoped that the problems referred to by Brazil would be resolved satisfactorily.

17. In summing up the discussion the Chairman said that it had become clear from the debate that there was agreement among members of the Committee on the programme for the consultations as outlined by him. In the first phase priority would be given to bilateral consultations with a view to the tabling of offers within a period of three weeks from now. Provisional offers should be sent to the

secretariat for circulation to other delegations in accordance with any specific observations made by delegations presenting the offers. Further bilateral and/or multilateral consultations could then be held to discuss offer lists. The aim should be to have an overall impression of the scope of requests and offers by mid-December so that the final phase of the negotiations could begin early next year. The secretariat would be at the disposal of the delegations for any technical assistance that might be required. Expressing satisfaction that the negotiations had finally been launched, the Chairman said that plenary meetings of the Committee would be convened as and when the participants considered it useful, to take stock of progress made in bilateral consultations and negotiations or to discuss substantive issues that might arise.