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Forty-Ninth Session

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

Chairman: H.E. Ambassador Mounir ZAHRAN (Egypt)

Introduction

1. Since the Forty-Eighth Session of the CONTRACTING PARTIES in December 1992, the Committee on Trade and Development held three meetings, comprising its Seventy-Fourth, Seventy-Fifth and Seventy-Sixth Sessions. Secretariat Notes on the proceedings of the Seventy-Fourth and Seventy-Fifth Sessions were circulated in documents COM.TD/133 and COM.TD/134, respectively, and should be read in conjunction with this Report for a complete overview of the Committee's activities this year.
2. The Seventy-Fourth Session of the Committee was held on 28 May 1993. At this Session, the Committee agreed to establish a working party for the examination of the Southern Common Market Agreement (MERCOSUR), with the terms of reference proposed by the Chairman of the CONTRACTING PARTIES in the understanding that this decision would not constitute a precedent. The Committee authorized its Chairman to designate the Chairman of the Working Party in consultation with the contracting parties primarily interested. Document COM.TD/133 contains the note on the proceedings of the Seventy-Fourth Session of the Committee.
3. The Seventy-Fifth Session of the Committee was held on 26 July 1993. At this Session, the Committee had a first exchange of views concerning work on the follow-up to the United Nations Conference on Environment and Development (UNCED), Agenda 21, Chapter 2: Introduction

and Section A. The Committee reviewed recent developments in regard to the implementation of Part IV and the operation of the Enabling Clause. It also reviewed the work of the Sub-Committee on Trade of Least-Developed Countries. The Committee took note of the acceptance of Ambassador C. Manhusen (Sweden) to serve as Chairman of the Working Party on MERCOSUR. Document COM.TD/134 contains the note on the proceedings of the Seventy-Fifth Session of the Committee.

4. For its Seventy-Sixth Session, held on 16 and 23 November 1993, 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; technical assistance to developing countries in the context of the Uruguay Round; work of the Sub-Committee on Trade of Least-Developed Countries; and, under "Other Business", the status of work in the Committee of Participating Countries on the operation of the Protocol Relating to Trade Negotiations Among Developing Countries. Following informal consultations with delegations, it had been agreed that given the work load related to the Uruguay Round, this Session of the Committee should be kept as short as possible. Therefore, it was agreed that the most substantive items, namely participation of developing countries in the multilateral trading system, work on the follow-up to the United Nations Conference on Environment and Development (UNCED), Agenda 21, Chapter 2: Introduction and Section A, and the future work programme of the Committee on Trade and Development, would be taken up at the spring Session of the Committee in 1994. With regard to the follow-up to UNCED, the Secretariat had circulated a first draft report on 28 September 1993 for consideration by delegations. That report would be finalized in the light of the discussion to be held by the Committee at its spring 1994 Session.

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

5. For the purpose of its review at the Seventy-Sixth Session, the Committee had before it notifications received from Finland (L/7289 and Add.1), Japan (L/7035/Add.2), New Zealand (L/7073/Add.2), Norway (L/7042/Add.1 and 2), Sweden (L/7075/Add.2) and United States

(L/7074/Add.1). The Committee also had before it a report on trade cooperation among ASEAN contracting parties (L/7307).

6. The representative of Singapore, speaking on behalf of the ASEAN contracting parties, introduced the report on trade cooperation among ASEAN contracting parties (L/7307).

7. The Committee took note of the notifications received from Finland (L/7289 and Add.1), Japan (L/7035/Add.2), New Zealand (L/7073/Add.2), Norway (L/7042/Add.1 and 2), Sweden (L/7075/Add.2) and United States (L/7074/Add.1). The Committee also took note of the report on trade cooperation among ASEAN contracting parties (L/7307), and of the statement by Singapore on behalf of the ASEAN contracting parties.

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

8. 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 the technical cooperation activities had been undertaken by the Committee at its Seventy-Third Session in November 1992. For the Seventy-Sixth Session, the Secretariat had prepared a note outlining the GATT technical assistance activities since November 1992 (COM.TD/W/505). 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. In this respect, the Secretariat had received a notification from UNCTAD on its technical assistance activities (COM.TD/W/508). 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 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 the

instruments negotiated within the framework of the Uruguay Round, as well as from the implementation of the results of the Round after its conclusion.

9. While acknowledging the usefulness of seminars to countries which were contemplating GATT accession, the spokesman of a group of developing countries believed that, at the present stage of the Round, technical assistance resources should rather be assigned to GATT contracting parties, and in particular to the least-developed countries (LLDCs). With regard to the LLDCs, he noted that thus far only five or six offers had been tabled both in services and in market access in industrial goods. He strongly believed that the LLDCs' future lay in export-led growth, and urged those countries to make full use of the Secretariat's technical assistance facilities in order to have a better understanding of the Draft Final Act (DFA) and to finalize their offers in time so as to become full members of the post-Uruguay Round organization.

10. A least-developed country representative expressed the LLDCs' appreciation for the Secretariat's technical assistance, especially with respect to a clearer understanding of the DFA and to the preparation of their offers. He underlined that although the LLDCs were seeking exemption in a number of areas in the context of the Uruguay Round, they had agreed to make token offers within a year's time. He also underlined that the LLDCs had already shown willingness to achieve more effective participation in the Uruguay Round; some had already submitted their offers while others were working on them.

11. The representative of UNCTAD, speaking as an observer, introduced UNCTAD's report on technical assistance to developing countries in the context of the Uruguay Round (COM.TD/W/508). Notwithstanding the difficulties arising from the transition period between the United Nations Development Programme (UNDP) programming cycles, efforts by UNDP and UNCTAD had succeeded in maintaining continued activities of previously described UNDP financed projects. The technical assistance projects under the new programming cycle had a somewhat different structure, covering a wider range of issues and involving a number of international organizations to assist developing countries in the latter phase of the Uruguay Round.

12. For the Asia and Pacific region, a new project on "Institutional Capacities for Multilateral Trade" provided technical support to developing countries from that region in the latter phase of the Uruguay Round, and would continue to assist them in the implementation of the results of the Round. This project contained components dealing with trade in services, trade and the environment and competition policies, as well as the identification and analysis of possible issues for future trade negotiations of interest to the region. In the Latin American and Caribbean region, a similar project had been established, which aimed also at developing human resources and strengthening the national negotiating capacities of countries in the region. In Africa, an earlier project providing assistance related to the Uruguay Round had been extended to the end of 1993. Due to a shortage of financial resources, a programme comparable to those established in the Asia/Pacific and Latin America/Caribbean regions had not yet been established. In Central America, a project had been providing assistance to Central American countries in their participation in the Uruguay Round and, where relevant, in their accession to GATT. The project had also emphasized training and development of human resources, and modernization of trade legislation to bring the latter into conformity with multilaterally-agreed rules.

13. The representative of a developing country expressed appreciation for the technical assistance provided by the Secretariat through, *inter alia*, missions, seminars, and briefing sessions in the context of the Uruguay Round. He believed that in view of the final phase of the negotiations, the technical assistance programme could be further improved and enhanced in order to assist developing-country delegations until the end of the Round. This was particularly relevant in the context of the evaluation exercise on the results of the negotiations, which was of utmost importance for developing countries. Such an evaluation by the Secretariat would not, however, substitute for the evaluation to be conducted by the Group of Negotiations on Goods. With regard to providing technical assistance in the post-Round period, he underlined the need to continue to benefit from such assistance, since much would still have to be done. He expressed gratitude to the Government of Japan for its financial contribution to technical assistance activities and called for financial contributions from any country in this regard. He also expressed appreciation for the technical assistance provided by UNCTAD which also aimed at helping developing countries to achieve more effective participation in the negotiations and better integration into the multilateral trading system.

14. The representative of the Secretariat informed the Committee that the Director-General had mobilized the entire GATT Secretariat, and in particular the staff of the Technical Cooperation Division, to provide maximum support to developing countries during this critical and final phase of the Round. During this period, the GATT technical cooperation programme would include assistance in the developing countries' evaluation exercise, support to individual countries upon request, and assistance to the LLDCs in their efforts to submit offers in the Round in accordance with their own development, financial and trade needs. With regard to GATT technical cooperation programmes after the Round, he said that the Secretariat would continue to provide technical assistance, and in this respect, called for governments' financial contributions.

15. The Committee took note of the statements.

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

16. The Chairman recalled that the Committee should appoint the Chairman of the Sub-Committee on Trade of Least-Developed Countries for 1994. It was his understanding that there was a consensus to re-appoint Ambassador E. Selmer (Norway) for a new term of office. It was so agreed.

17. A least-developed country representative expressed gratitude to Ambassador Selmer for having accepted to chair the Sub-Committee for 1994 and offered his delegation's full cooperation with the work of that Sub-Committee.

18. The Committee took note of the statement.

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

19. The Chairman of the Committee of Participating Countries on the Operation of the Protocol relating to Trade Negotiations among Developing Countries recalled that the Decision on Differential

and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries provided the legal basis in GATT for the Protocol relating to Trade Negotiations among Developing Countries. The Protocol applied at present to Bangladesh, Brazil, Chile, Egypt, Israel, Republic of Korea, Mexico, Pakistan, Peru, Romania, Tunisia, Turkey and Uruguay. India's withdrawal from the Protocol announced in October 1992 had come into effect in March 1993. The Committee of Participating Countries set up under Article 4 of the Protocol had not met in 1993 since participating countries could not, during that period, take action under the Protocol.

20. The Committee took note of this information.

Item (v): Other Business

21. The representative of the European Communities informed the Committee that the EEC had submitted to the Secretariat, on 15 November, a notification on their 1993 GSP scheme which contained only a few technical changes and which would be under review by the Committee at its spring Session in 1994.

22. The Committee took note of this information.

Next meeting of the Committee

23. 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.