

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CPC/S/3

10 July 1974

Special Distribution

Preferential Arrangements Among
Developing Countries Negotiated
in GATT

COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussions at Second Special Meeting held on 12 June 1974

Prepared by the Secretariat

Introduction

1. The Chairman of the Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries - Dr. H. Villar (Spain) - convened on 12 June 1974, at the request of a number of delegations, a special meeting to which non-participating countries were invited. The purpose of the meeting was to provide an opportunity for an exchange of views regarding the expansion of the Protocol Relating to Trade Negotiations Among Developing Countries, including, among other things, the consideration non-participating countries might have given to the procedures for accession to the Protocol contained in document CPC/S/1. Countries and organizations represented at the meeting are listed in the Annex.
2. In opening the meeting, the Chairman, after recalling the historical background of the Protocol Relating to Trade Negotiations Among Developing Countries drew attention to its main provisions and in particular to those referring to the accession of other developing countries. He also noted that the Protocol provided that participating countries would keep under review the possibility of promoting negotiations for the enlargement of the concessions and could, at any time, sponsor such negotiations.
3. The Chairman recalled that the Committee of Participating Countries had invited all developing countries to a special meeting in November 1973 for the purpose of exchanging ideas on possible measures for encouraging the accession of other developing countries to the Protocol, expanding its product coverage and considering

any related problems. As indicated in the note on the meeting (document CPC/S/2), non-participating developing countries had been invited to make use of the procedures for accession to the Protocol outlined in document CPC/S/1.

4. The Chairman indicated that it would be desirable to hear of the difficulties facing those delegations whose countries might have some initial hesitation in considering accession to the Protocol, so that consideration could be given to possible ways of overcoming them. He recalled that the list of products on which concessions had been exchanged, and the margins of preference, could be subject to further enlargement so as to bring broader benefits to the participating countries. The accession of additional countries would give an added impetus to the efforts that the participating countries were already making to expand trade among developing countries, in conformity with the objectives advanced at various international organizations. He made special reference to the Declaration on the Establishment of a New International Economic Order and the Programme of Action adopted at the Sixth Special Session of the United Nations General Assembly.

5. The Chairman emphasized that the GATT secretariat was ready to assist non-participating countries in identifying products of possible export interest in the markets of participating countries, as well as in the compilation of statistical data and information on the trade régimes applied by participating countries to the imports of those products.

General remarks

6. Representatives of a number of participating countries expressed their full support for the Protocol as a means for expanding and promoting trade among developing countries. In this respect reference was made to decisions adopted in various international organizations calling, *inter alia*, for collective self-reliance and growing co-operation among developing countries and suggesting that developing countries should increase their mutual trade through an exchange of preferences. The participating countries reiterated their willingness to facilitate the accession of additional developing countries to the Protocol and to expand the product coverage of the concessions embodied in the Protocol and hoped that the governments of non-participating countries would be ready to start the preliminary action suggested in document CPC/S/1 as soon as possible with the assistance of the secretariat.

7. Representatives of a number of countries not participating in the Protocol confirmed the interest of their governments in the creation and expansion of trade among developing countries and recognized that the Protocol was a suitable arrangement for such purpose. Some of these representatives expressed their

government's readiness to commence the preliminary action needed for determining export possibilities and requested the secretariat's assistance in this regard. Representatives from other non-participating countries, while acknowledging the importance of the Protocol for increasing trade among developing countries, said that, in the absence of instructions, they were not in a position to indicate their governments' attitude with respect to the proposals contained in document GPC/S/1. However, they hoped to do so at a future meeting of the Committee.

8. Several delegations said that a study by the secretariat on the benefits participating countries had obtained from the concessions would help their governments in deciding whether to accede to the Protocol. In this respect, representatives of some participating countries noted that because of the relatively recent implementation of the Protocol and the even later issuing of administrative instructions it was too early to expect available trade statistics to reflect the benefits being derived from the Protocol. They indicated, however, that whatever results might have been achieved so far, these could certainly be improved by the accession of other countries.

The Protocol

9. Representatives of a number of countries not participating in the Protocol expressed interest in commencing the process of identifying products of export interest in the markets of participating countries. They would endeavour to prepare preliminary lists of products of export interest which they hoped to be able to finalize, with the assistance of the secretariat, before entering into consultations with participating countries. Some other representatives noted that in view of the amount of work required by the multilateral trade negotiations and of the present uncertainties in the world economic situation, their governments were somewhat hesitant to engage in other activities, such as those required for exploring accession to the Protocol Relating to Trade Negotiations Among Developing Countries. However, they would keep the matter under consideration.

10. One representative said that his government fully supported the principle of preferential trade among developing countries. His country had only recently established an experimental tariff which was expected to become definitive on 1 January 1975. In the meantime, his delegation would submit a list of products of export interest to his country in the markets of participating countries with a view to initiating a preliminary exploration of possibilities for the expansion of mutual trade.

11. The representative of a participating country said that his government fully supported the proposal to start a new round of trade negotiations among developing countries aimed at expanding membership of the Protocol, enlarging the product coverage and deepening the tariff cuts of existing concessions. He was

hopeful that the elimination of other obstacles to trade among developing countries could also be taken up. His delegation would prepare a list of products of export interest to his country in the markets of other participating countries for which possibilities of concessions might be explored. This list would be submitted to the countries concerned and to the secretariat.

12. Representatives of participating and non-participating countries recognized the importance of providing countries interested in exploring the possibilities for accession with additional information on such matters as the provisions of the Protocol, the nature and scope of the existing concessions and the margins of preference. Any delegation interested in obtaining such additional information was invited to contact the secretariat for this purpose.

13. In addition, it was noted that non-participating countries could be provided with assistance to identify products of export interest, concessions they might seek, and concrete advantages and benefits they might obtain. Interested non-participating countries, might, with such assistance, initially examine the schedule of concessions attached to the Protocol with a view to identifying products of interest to them and determining whether there were any other items of export interest on which it would appear worthwhile to explore possibilities for expanding exports to the markets of participating countries. It was again emphasized that this process of identification and exploration did not commit countries to negotiate or to accede to the Protocol.

14. Some delegations considered that the exploratory phase aimed at identifying specific trading interests of interested non-participating countries might be initiated without further delay, notwithstanding the present uncertainties in international economic relations and the existence of other important endeavours, such as the multilateral trade negotiations. It was suggested that the presence of experts in delegations participating in the multilateral trade negotiations, could provide an opportunity for expansion of the product coverage and membership of the Protocol. In this respect, the representative of the secretariat noted that developing countries would be paying close attention to developments in international economic relations and would undoubtedly be examining possibilities for improving their trade and payments situation. In this connexion, it would seem that mutual co-operation was one way of increasing the trade of developing countries and improving their foreign exchange earnings.

15. The representative of Greece, a participating country which had not yet ratified the Protocol, informed the Committee that his Government's Council of Ministers had recently approved ratification. Publication of the relevant law in the Government Gazette was expected in the near future. His country had also provided information on rules of origin required to implement the concessions.

The representative of Mexico, another participating country which was in the process of ratification, stated that in the interim, his government would be prepared to implement its concessions on a reciprocal basis with other participating countries. In regard to the procedures that would need to be followed to this end, it was noted that the matter would be taken up at a future regular meeting of the Committee of Participating Countries, on the basis of a written request submitted by Mexico. The representative of the Philippines, whose ratification of the Protocol is pending, said that because of a major revision of his country's tariff schedule, the programme of ratification had been delayed. However, he was optimistic that the process of accession would soon be completed.

Chairman's summing-up

16. In his concluding remarks, the Chairman noted that it was encouraging that delegations from non-participating countries were willing to give some priority to the expansion of trade among developing countries. This was in line with the commitments of developing countries in various fora with respect to increasing trade exchanges among themselves. He stated that the meeting had been useful in that a number of delegations had indicated an interest in exploring possibilities for accession on an informal basis, in accordance with the procedures outlined in document CPC/S/1, and with the assistance of the secretariat.

17. He noted that participating countries would also keep under consideration the possibilities of initiating a new round of trade negotiations among themselves and with non-participating countries. In this respect, preparatory work on the identification of possible tariff and non-tariff measures which might be taken up for negotiation could be initiated by interested countries.

18. It was agreed that the Committee of Participating Countries would hold a further special meeting on a date to be fixed by the Chairman, in consultation with delegations, for the purpose of seeing what additional action might be required with the objective of encouraging accession to the Protocol and to review any developments relating to the expansion of trade among developing countries in the context of the Protocol.

ANNEX

Countries and Organizations Represented at the Second Special Meeting
of the Committee of Participating Countries

Parties to the Protocol

Brazil
Chile
Egypt, Arab Rep. of
Greece
India
Israel

Korea
Mexico
Peru
Philippines
Spain
Turkey

Non-participating countries

Algeria
Bangladesh
Bolivia
Burma
Cameroon
Colombia
Cuba
Cyprus
Dominican Republic
El Salvador

Gabon
Ghana
Guatemala
Haiti
Honduras
Indonesia
Iran
Iraq
Ivory Coast
Jamaica

Malaysia
Nigeria
Romania
Senegal
Singapore
Sri Lanka
Thailand
Trinidad & Tobago
Venezuela
Zaire

Observer

UNCTAD