

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## Preferential Arrangements Among Developing Countries Negotiated in GATT

### COMMITTEE OF PARTICIPATING COUNTRIES

#### Summary of Discussion at Seventeenth Meeting held on 29 July 1977

#### Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its seventeenth meeting on 29 July 1977 under the acting Chairmanship of Dr. P. Tomić (Yugoslavia).
2. The draft agenda circulated in document CPC/W/48 was adopted.

#### Accession of Romania

3. On behalf of the Committee, the Chairman welcomed the delegation of Romania to the meeting for the purpose of exchanging views with members under agenda item 1 concerning the accession to the Protocol by Romania on the basis of the application circulated as document CPC(SECRET)1. As additional background information, members had available to them in CPC/W/46 a list of certain GATT documents relating to Romania's trade régime and in CPC(SECRET)1/Add.1 statistics relevant both to the Romanian offer and Romanian trade generally, including trade with participating countries. Copies of the Foreign Trade Law of Romania and the Romanian Tariff had also been made available to participating countries. In accordance with the procedures agreed by the Committee at its April 1977 meeting, a number of members had indicated the interest of their authorities in entering into consultations and/or negotiations with Romania.
4. In an introductory statement (annexed), the representative of Romania explained the background to his Government's interest in acceding to the Protocol. He stated that co-operation with other developing countries constituted an essential element of Romania's international relations. Romania planned to increase trade exchanges with developing countries with the aim that by 1980 this trade would represent 25 per cent

of total trade. The Romanian offer submitted in response to requests put forward by participating countries in the earlier exploratory consultations covered some 100 tariff positions and sub-positions. Imports of the items in the Romanian offer totalled about US\$1,200 million in 1976; the value of imports of those items originating in participating countries in the same year had been US\$186 million. A large majority of the concessions offered concerned manufactured and semi-manufactured products. Tariff offers ranged between the binding of existing rates to a 50 per cent reduction in rates of duty; for some products, the tariff reduction offered was 100 per cent. Romania was ready to enter into negotiations with interested participating countries with a view to replacing some items in the offer, provided that the global and bilateral balance of the offer with existing Protocol concessions was maintained.

5. In taking note of the points mentioned in the introductory statement by the representative of Romania, members of the Committee welcomed Romania's application for accession to the Protocol. While some members indicated that their authorities were able to accept Romania's application on the basis of the offer tabled in CPC(SECRET)1 without excluding the possibility of seeking a later exchange of preferential concessions in the light of trade developments, some other members indicated their wish to enter into negotiations with respect to the Romanian offer. Another member, who also considered the Romanian offer to be an adequate counterpart to existing concessions under the Protocol, expressed the interest of his authorities in using this opportunity to negotiate a mutual exchange of additional preferential trade concessions with Romania.

6. Recalling its earlier decision that applications for accession to the Protocol would be considered on a case-by-case basis, the Committee, in accordance with paragraph 14 of the Protocol, agreed on the following procedures for negotiations which might take place between Romania and interested participating countries: (i) requests by participating countries to Romania for additional or improved concessions will be submitted by the end of September 1977 or as soon as possible thereafter with a copy to the secretariat; (ii) subject to the requirements of confidentiality, copies of the requests will in the normal course be circulated to all participating countries; (iii) circulation of the request lists will be followed by negotiations between Romania and interested participating countries with the aim of completing the negotiations and finalizing a Romanian schedule of concessions as well as making such consequential modifications to existing schedules of concessions as may result from the negotiations, by the end of 1977; (iv) a draft Protocol of Accession by Romania to which the schedule of concessions will be attached and a draft Decision concerning Romania's accession to the Protocol will be prepared by the secretariat for consideration by the Committee in the light of the results of the negotiations which are expected to take place; (v) subject to agreement on the form and content of the Protocol of Accession and Decision, the Decision will be put to a vote of members as soon as possible

after the Romanian schedule of concessions is finalized. The Protocol of Accession would then be open for signature in accordance with normal procedures; (vi) in accordance with the November 1971 Decision of the CONTRACTING PARTIES concerning the implementation of the Protocol, relevant information on Romania's accession will be made available to the CONTRACTING PARTIES.

#### Communication from the Philippines

7. In referring to document CPC(SECRET)2 concerning ratification of the Protocol by the Philippines, the Chairman said that bilateral consultations between participating countries and the Philippines had taken place since the last meeting of the Committee. The Committee noted that certain matters relating to the communication from the Philippines continued to be subject to clarification and agreed to defer consideration of this agenda item until a later meeting.

#### Notification by Tunisia

8. The Chairman recalled that, at its last meeting, the Committee had decided to provide participating countries with sixty days from the date of the meeting, to express in writing interest in pursuing consultations with Tunisia with regard to modifications introduced to certain m.f.n. rates in the Tunisian tariff which affect five products in the Tunisian Schedule of Concessions under the Protocol. Upon the expiry of the sixty-day period and to the time of the CPC meeting no such expression of interest had been received in the secretariat. The Committee took note of the Tunisian action notified in CPC/39.

#### Enlargement of the Protocol

9. Referring to the progress report on the collection of basic data circulated as CPC/W/49, the Chairman said that individual country studies had been initiated by the secretariat for the majority of participating countries and for some other countries which had so far indicated their interest in the Protocol. Draft texts of the individual studies for all CPC countries and for other developing countries having expressed interest in the exercise were expected to be available for clearance with delegations concerned in the autumn taking into account that the secretariat would continue to give priority to matters relating to the MTN. Work was also underway with the assistance of the United Nations Statistical Office for the elaboration of trade matrices which would show for a range of products of significance to the countries under study, trade between individual developing country importers and exporters at the inter-regional, regional and sub-regional levels, as well as trade with developed countries in aggregate terms. It was hoped that the trade matrices could be made available to delegations at approximately the same time as the country studies, i.e. at the end of this year or early in 1978.

10. In the light of earlier discussions in the Committee, the secretariat had also written to all developing countries inviting their participation in the exercise. At the time of the meeting some developing countries had responded positively while others were awaiting instructions from capitals.

11. The Committee took note of the report on the collection of data presented in CPC/W/49 and invited the secretariat to keep the next meeting of the Committee informed of progress in this respect.

#### Annual Report

12. The Chairman said that in order to facilitate the preparation of the fourth annual report to the CONTRACTING PARTIES, the secretariat had summarized the main points relevant to reporting procedures in document CPC/W/47. In order to allow sufficient time for the preparation and finalization of the annual report at the October meeting of the Committee of Participating Countries, members might provide the secretariat with relevant information as early as possible and, in any case, not later than 23 September 1977 so that a draft can be put together by the secretariat for consideration by the Committee. After the report had been given final shape by the Committee, it will then be submitted to meetings of the Committee on Trade and Development and the GATT Council, in advance of the thirty-third session of the CONTRACTING PARTIES in accordance with normal procedures. One member suggested that the part of the report dealing with enlargement of the Protocol should adequately reflect the encouraging developments since the previous report was circulated.

13. The Committee agreed to invite participating countries to provide the secretariat with the information required for the annual report to the CONTRACTING PARTIES, in accordance with the outline contained in CPC/W/47, as soon as possible, and in any case, not later than 23 September 1977.

#### Next meeting

14. The Chairman said that in accordance with usual procedures, the date of the next regular quarterly meeting of the Committee, would be fixed by the Chairman in consultation with members of the Committee and the secretariat.

ANNEX

STATEMENT MADE BY THE REPRESENTATIVE OF ROMANIA  
AT THE MEETING OF 29 JULY 1977

On behalf of the Romanian delegation, I should like, first of all, to express our thanks for the invitation to participate in this meeting.

Romania's application to accede to the Protocol relating to Trade Negotiations among Developing Countries (document CPC(SECRET)1) is an expression of our country's particular interest in the development of relations and economic co-operation with the other developing countries as an essential component of Romania's foreign policy.

Indeed, the objective of Romania's long-term economic development programmes is expansion of trade with other developing countries so that by 1980 those countries may be accounting for at least 25 per cent of Romania's aggregate foreign trade. With a view to attainment of this objective, the Romanian authorities have been actively engaged in recent years in identifying existing possibilities for developing trade with other developing countries, at both bilateral and multilateral level. The Protocol "of the 16" constitutes one of the modalities offering the possibility of expanding trade exchanges in a multilateral framework by means of customs facilities among participants.

With a view to the accession of Romania, our partners have before them the offer and the statistical data on the products that it covers (document CPC(SECRET)1) and CPC(SECRET)1/Add.1, foreign trade statistics (L/4362), statistical data furnished during the exploratory bilateral consultations, together with the documents explaining in detail the foreign trade régime (L/3101), the Romanian customs tariff (L/4463) and other matters that you will find mentioned on the list furnished by the secretariat in document CPC/W/46. Copies of the definitive customs tariff of Romania have been distributed by the secretariat.

As you know, and in accordance with the procedures established by the Committee of Participating Countries in regard to enlargement of the Protocol, the application for accession was preceded by bilateral consultations with the countries concerned. These consultations have made it possible, inter alia, to draw up the offer in such a way as to meet specific interests indicated by the partners. It is designed furthermore to ensure an overall balance between concessions received and those granted.

Our offer comprises tariff concessions on products falling within about 100 tariff headings and sub-headings. It is important to underline that actual imports of the products covered by our offer reached a value of approximately \$1,200 million in 1976 (products from countries signatories to the Protocol represented a value of \$186 million).

The Romanian offer is designed in the first place, to encourage imports of manufactures from signatory countries to the Protocol, for which products the customs duties in the Romanian tariff are generally higher. Consequently, almost half of the products are manufactures and among these certain tariff headings represent substantial import values for Romania: 84.45 machine-tools for working metal or metal carbides, \$187 million; 84.06 internal combustion piston engines, \$78 million; 84.10 and 84.11 pumps (including motor pumps and turbo-pumps) for liquids, air pumps, vacuum pumps, etc., \$40 million; 85.01 electrical generators, motors, transformers, converters, \$40 million; 85.15 radiotelephonic, radio-telegraphic and television transmission and reception apparatus, \$37 million.

The fact that the products on which Romania is offering concessions are mostly finished and semi-finished products reflects our concern to increase the specific share of such products in mutual trade exchanges.

The concessions in the Romanian offer are varied, ranging from bindings to reductions by 50 per cent. On certain products, for which the interest of the requesting country seems of particular significance, we have even offered reductions by 100 per cent.

We consider that the offer we have just presented responds to the requests made by the participating countries. Accordingly, we believe our offer can be accepted as it stands, as equitable counterpart for Romania's accession to the Protocol relating to Trade Negotiations among Developing Countries.

Of course, we do not exclude the possibility of entering into negotiations for making certain possible replacements in our offer, by including products among those of particular interest that are included in the lists or partner countries and are not included in the offer in its present form, to the extent that any such replacement would not impair the balance of the offer in relation to the existing schedules of concessions annexed to the Protocol, whether from the overall or the individual aspect.

We wish to reiterate our firm conviction that Romania's accession to the Protocol will constitute an important moment for the extension of economic exchanges among the signatory countries and, of course, relations among them on all levels.

In conclusion, Mr. Chairman, we believe it would be useful if at this meeting a timetable could be established for future action in connexion with the process of accession by Romania on the basis of tariff concessions.