

GENERAL AGREEMENT ON TARIFFS AND TRADE

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30 November 1971
Limited Distribution

TRADE NEGOTIATIONS AMONG DEVELOPING COUNTRIES

Decision of 26 November 1971

The CONTRACTING PARTIES to the General Agreement on Tariffs and Trade,

RECOGNIZING that individual and joint action is essential to further the development of the economies of developing countries and to bring about a rapid advance in the standards of living in these countries;

NOTING that the CONTRACTING PARTIES may enable developing contracting parties to use special measures to promote their trade and development;

CONSIDERING that trade negotiations among developing countries have as their objective expanding access on more favourable terms for developing countries in one another's markets through an exchange of tariff and trade concessions directed towards the expansion of their mutual trade;

RECALLING that, at the twenty-third session, the CONTRACTING PARTIES recognized that the establishment of preferences among developing countries, appropriately administered and subject to the necessary safeguards, could make an important contribution to the expansion of trade among developing countries and to the attainment of the objectives of the General Agreement;

NOTING that the countries which have participated in these negotiations have drawn up the "Protocol relating to Trade Negotiations among Developing Countries" (hereinafter referred to as the Protocol) with rules to govern the arrangements as well as a first list of concessions, and that these countries intend to keep under review the possibility of promoting negotiations for additions or enlargements to the schedules of concessions;

NOTING ALSO that while concessions exchanged in the Negotiations will apply among parties to the arrangements set out in the Protocol, the countries participating in these negotiations have undertaken to facilitate the accession of all developing countries on terms consistent with the latter's individual development, financial and trade needs;

NOTING FURTHER that the CONTRACTING PARTIES express the hope that all developing countries which have not participated in the arrangements will consider acceding to the Protocol; and

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RECOGNIZING that these arrangements should not impede the reduction of tariffs on a most-favoured-nation basis;

DECIDE:

- (a) that without prejudice to any other Article of the General Agreement and subject to the provisions of paragraphs (b)-(e) of this Decision, the provisions of paragraph 1 of Article I of the General Agreement shall be waived to the extent necessary to permit each contracting party participating in the arrangements set out in the Protocol (hereinafter referred to as a participating contracting party) to accord preferential treatment as provided in the Protocol with respect to products originating in other parties to the Protocol, without being required to extend the same treatment to like goods when imported from other contracting parties;

PROVIDED THAT any such preferential treatment shall be designed to facilitate trade between participants and not to raise barriers to the trade of other contracting parties;

- (b) that any participating contracting party which, pursuant to the arrangements set out in the Protocol, introduces or modifies any preferential concessions shall so notify the CONTRACTING PARTIES and shall furnish them with all useful information relating to the actions taken;
- (c) that each participating contracting party shall afford adequate opportunity for consultations at the request of any other contracting party which considers that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the arrangements set out in the Protocol;
- (d) that any contracting party which considers that the arrangements under the Protocol are being applied inconsistently with this Decision or that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the arrangements and that consultations have proved unsatisfactory, may bring the matter before the CONTRACTING PARTIES, which will examine it promptly and will formulate any recommendations that they judge appropriate; and
- (e) that the CONTRACTING PARTIES will review annually, on the basis of a report to be furnished by the participating countries, the operation of this Decision in the light of the aforementioned objectives and considerations and after five years of its operation carry out a major review in order to evaluate its effects. Before the end of the tenth year the CONTRACTING PARTIES will undertake another major review of its operations with a view to deciding whether this Decision should be continued or modified. In connexion with such annual reviews and major reviews, the participating contracting parties shall make available to the CONTRACTING PARTIES relevant information regarding action taken under this Decision.