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GENERAL AGREEMENT ON TARIFFS AND TRADE

Trade Negotiations Committee
of Developing Countries

PROCEEDINGS OF THE ELEVENTH MEETING

Held in the Villa Le Bocage, Geneva,
on Monday, 29 March 1971 at 3 p.m.

Chairman: Mr. O. LONG

Subject discussed: Arrangements for further consultations and negotiations at expert level

1. Members of the Committee noted with appreciation the wish of the Government of Tunisia to join the Committee and to participate actively in the trade negotiations among developing countries. The delegation of Ghana, while not yet in a position to formally join the Committee as a member, expressed its interest in following the work as an observer. The Chairman, on behalf of the Committee, welcomed the delegations of the two countries.

2. The Chairman briefly recalled the results of the expert level consultations and negotiations held over the period October-December 1970 which, it appeared, had been sufficiently encouraging to justify the hope that after the period of reflection that had since elapsed, a stage had been reached where offers could be finalized and an appropriate framework for putting the concessions into effect be established. Twelve of the participating countries had already presented provisional offers and delegations of three or four other countries had indicated that their offers were under preparation and could be expected shortly.

3. The first task before the Committee was to decide on the arrangements to be made for the further pursuit of the negotiations. As pointed out in the secretariat note TN(LDC)37, offers should be presented in as specific a form as possible as regards both the depth and nature of the concessions. Delegations might therefore wish to see to what extent initial provisional offers made by them needed to be elaborated in these respects and possibly be enlarged. He suggested that the further work might proceed in the following stages: (i) further exchange of information between countries on a bilateral basis but extending, where necessary, also to other countries with import or export interests in the items concerned, to permit the presentation of offers or the elaboration and enlargement of existing offer lists; this would involve further identification of the interests of the exporting country and the possibilities open to the offer-making countries with respect to concessions on various items; (ii) an effort to ensure, proceeding on a similar basis, that the concessions offered were mutually satisfactory; and (iii) eventual notification and circulation of consolidated lists of concessions.

4. For this work to proceed at a satisfactory pace it would clearly be helpful for delegations to be reinforced, to the extent required, by experts from capitals. For the proper scheduling of consultations between delegations it would be necessary to have an early indication as to when their experts could be present in Geneva. As progress in the negotiations differed as between participating countries and as some of them might find it more difficult than others to have expert advice from capitals available on a continuous basis, no hard and fast rule could be established as to the length of time during which experts should be in Geneva. The Chairman pointed out, however, that the aim was to complete the negotiations in time for the CONTRACTING PARTIES to consider the results at their next session scheduled for November this year. This also meant that most of the substantive work would have to be completed by the beginning of the summer recess. Delegations should accordingly be prepared to work on an uninterrupted basis until then. The first order of priority was for delegations to initiate immediately the bilateral consultations still required for the finalization of offers. The secretariat, for its part, would continue to provide such technical assistance as might be required. The secretariat was also in contact with a number of countries that had not yet found it possible to reach a final decision as to their participation in the negotiations, providing technical assistance and information to these countries as required. Though early participation of these countries was desirable, it would remain open for them to join even after the present round of negotiations had been concluded.

5. The Chairman recalled that a broad consensus had been reached in February 1970 on a set of guidelines which had served as a working hypothesis for the formulation of requests and offers and for discussions in the Committee over the past year. In order to conclude the negotiations and for putting the concessions into force it would now be necessary to reach agreement on any outstanding points relating to the rules governing the concessions. The secretariat was preparing suggestions to serve as a basis for discussion. The Committee might wish to revert to this matter at an early date. The discussion of certain aspects of the rules would no doubt be facilitated if the offers that were presented were as specific as possible both in regard to product coverage and the character of the concessions.

6. The question of the rules of origin would also require attention by the Committee at this stage. Certain background material for discussion had been available for some time and the secretariat would be circulating an additional note incorporating texts of regulations of existing origin requirements furnished by some of the participating governments.

7. The Committee welcomed and agreed to the programme of work as outlined by the Chairman.

8. The representative of Yugoslavia stated that experts were already in Geneva to resume the consultations and negotiations initiated last year. A general offer list had been submitted last December; offers to individual participants had been prepared and would shortly be made available. He expressed the hope that the definitive phase of the negotiations would be concluded within the time-limits foreseen by the Chairman.

9. The representative of Spain recalled that his country had presented a provisional offer earlier this year. This offer was of a general character and subject to enlargement, modification and detailed specification in the light of further bilateral consultations and negotiations with other participating delegations. He expressed his agreement with the suggestions put forward by the Chairman in giving additional impetus to the negotiations so that some well-defined and mutually satisfactory concessions could be ready for submission to the CONTRACTING PARTIES in November.

10. The representative of India said that his delegation was in complete agreement with what had been proposed in TN(LDC)37 and the further proposals in this regard put forward by the Chairman. India had submitted a comprehensive list of items on which his Government was prepared to consider according preferential concessions on a mutually beneficial basis. His delegation was ready to make that offer more specific, both in regard to the product coverage and the character of concessions. Experts from India were expected to be in Geneva shortly but the delegation of India stood ready to take up bilateral consultations forthwith. As to the work to be undertaken on origin rules, the rules worked out recently in relation to the Generalized Scheme of Preferences might provide a good basis for the Committee's work. One other element to which consideration might be given was how a portion of untied aid made available by developed countries could be used for financing of trade expansion between participating countries. Recently a major developed country had partly untied its aid for the purpose of permitting developing countries to utilize it for purchases from other developing countries. This was a welcome and important development. It would be helpful to have available information on the new trading possibilities which might be offered in this way.

11. The representative of Brazil said that experts were on their way to Geneva and would be presenting Brazil's provisional offer in the near future. He agreed that the finalization of the rules to govern the concessions as well as of the origin rules was a matter of considerable importance and his delegation was prepared to participate actively in the elaboration of these rules.

12. The representative of the Republic of Korea stated that the Korean experts were already in Geneva and were ready to take up bilateral consultations and negotiations. Work on the basic rules should reflect the fact that the exchange of concessions would affect tariff as well as other barriers to trade and that the negotiations would be conducted on a reasonably broad range of products of current as well as of potential export interest, taking into account the balance-of-payments situation of participating countries. Further, concessions should apply to those countries that had granted effective concessions. He hoped that mutually beneficial trade arrangements would be worked out in these negotiations so as to help accelerate the expansion of trade among developing countries.

13. The representative of Pakistan expressed the hope that the present phase of consultations and negotiations would produce concrete results to be submitted to the CONTRACTING PARTIES, as envisaged, in November 1971. Pakistan had already submitted offers addressed to individual participating countries, and would be

in a position to further elaborate the offers. The question of countries to which concessions would be applicable was one to which his delegation attached great importance. As regards further work on rules of origin he hoped to be soon in a position to submit to the secretariat the relevant information. His delegation was fully equipped and ready to enter into bilateral consultations and negotiations with other participants.

14. The representative of Ceylon expressed agreement with some of the earlier speakers on the importance of reaching, at the present stage of the work, an understanding on the rules that would govern the negotiations. The concessions, to be exchanged on a multilateral basis, should cover tariff and non-tariff barriers that impede the trade among developing countries. In the view of his delegation non-tariff barriers, often necessary for balance-of-payments reasons, were probably a greater impediment to the expansion of trade than tariffs, a factor which would have to be taken into account in the rules and procedures to be drawn up. Commenting on the point put forward in earlier discussions in the Committee that concessions should apply to those participants who had effectively participated in the negotiations, he pointed out that the concept of "effective participation" had never been defined fully. In the view of his delegation whatever the degree of participation in the negotiations of a particular country might be, the eventual concessions would have to be applied in a multilateral framework.

15. The representative of Israel recalled that her delegation had circulated a general offer and had elaborated it in the bilateral contacts with other participating delegations and was prepared to engage in further bilateral consultations and negotiations as might be required. Bilateral consultations with interested delegations could be resumed within the next two or three weeks. Her delegation was also fully prepared to contribute to the work required in connexion with the negotiating procedures, the rules governing the concessions and the rules of origin.

16. The representative of Colombia expressed regret that his Government was not yet in a position to participate in the active negotiations, much as it continued to be interested in the work of the Committee. Colombia had in fact intended to draw up a specific request list -- based on the general list established earlier -- but progress in this direction had been slowed due to the need to give attention to pressing work related to the country's participation in the Andean Common Market and also because several of the export targets established earlier had to be revised and -- in some cases -- scaled down. In the circumstances Colombia could, for the time being, participate in the work of the Committee only as an observer.

17. The representative of Chile explained that the obligation of his country under the Andean Pact and the Latin American Free Trade Association and the consequences thereof for Chile's foreign trade policy were still under study. This had delayed the country's action in the trade negotiations among developing countries. He assured the Committee that his Government would continue to

participate in the negotiations as effectively as possible and a team of experts had recently been appointed to examine in detail and to determine exactly - bearing in mind the commitments towards LAFTA and the Andean Common Market - what type of offers his Government could make which would not involve difficulties in the context of its regional obligations. He expressed the hope that he would soon be receiving further instructions concerning the presentation of offers.

18. The representative of Turkey stated that his delegation had already submitted provisional offers which were subject to changes and modifications in the light of further consultations. His delegation expected to receive the necessary instructions from the new Government so that his delegation might be in a position to participate effectively in the negotiations as of May.

19. The representative of Argentina, expressing appreciation of the interest in the negotiations shown by a number of other developing countries, which should augur well for the work of the Committee and the results that might be expected from the negotiations pointed out that, according to the statement made by his delegation in the last meeting of the Trade Negotiations Committee, his Government stood ready to make its contribution to the negotiations including the further work required in connexion with the establishment of the rules. He expected that his country would soon be in a position to submit an offer.

20. The representative of the United Arab Republic expressed his agreement with the earlier speakers as regards the desirability of having as wide a participation in the negotiations as possible as this should contribute to extending the scope of the negotiations. The United Arab Republic had already submitted provisional lists of offers and his delegation would be reinforced by an expert from the capital to help with the finalization of their offers.

21. The representative of Greece explained that his country had already exchanged lists of offers during the bilateral consultations with some of the TNC countries. A consolidated or general indicative offer was still in the process of preparation by his authorities. He agreed with the programme of work as outlined by the Chairman which - in view of the realistic and pragmatic approach adopted - should help in reaching a proper balance in the exchange of concessions.

22. The representative of Mexico recalled that his country had been the first to present a provisional offer and additional offers were being drawn up in the capital together with some additional requests to other countries. Mexico itself was still waiting - in the light of indications received earlier in the negotiations - to receive the final request lists of some of its partners in the Trade Negotiations Committee so that substantive work on these requests could proceed.

23. The observer from Ethiopia explained that although his Government was not yet in a position to take a final decision as to its eventual participation in the negotiations it was fully aware of the importance of the Committee's work.

24. The observer from Ghana explained that the fact that Ghana participated, for the time being, in the Committee's work only as an observer did not imply that his Government did not attach importance to the negotiations. He was, in fact, awaiting instructions from his Government which, he hoped, would soon permit his delegation to participate effectively in the work of the Committee.

25. In summing up, the Chairman stated that it was clear from the statements made by delegations that there existed a general desire to proceed with the negotiations and to bring them to a successful conclusion in the near future. The Committee itself would meet when and as often as necessary. In their discussions and consultations participants had so far been guided by a set of working rules on which a broad consensus had been reached in early 1970. A number of unsettled points related to the rules and procedures would however at this stage require attention by the Committee, which also would have to take up the question of rules of origin. The secretariat was working on both these matters and intended to put forward in due course certain suggestions. The secretariat also stood ready to assist delegations in obtaining such information as they might require as regards data on trade, tariffs and import régimes. The question of providing information on possibilities to use untied financial assistance, would also be looked into.