General Agreement on
Tariffs and Trade

Committee on Trade and Development
Thirty-Third Session
23-24 June 1977

Expansion of Trade Among Developing Countries

Note by the Secretariat

1. The Committee on Trade and Development provides a forum in GATT for a review of developments relating to the expansion of trade among developing countries. In the report of its last meeting, the Committee took note of the Third Annual Report of the Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries. During the discussions, a number of comments were made on the possibilities for a new round of negotiations among interested developing countries with the objective of broadening the scope of the concessions under the Protocol to include a wider group of products and countries (L/4438, paragraphs 20-22).

2. Subsequently, the Committee of Participating Countries, at its meeting in January 1977, decided to ask the secretariat to initiate the collection of technical data that may be helpful in assessing the prospects of a new round of trade negotiations among interested developing countries. The hope was expressed that the collection of such data could be completed by the end of 1977, if possible. In this respect, it was understood that the secretariat would continue to give priority attention to matters relating to the multilateral trade negotiations.

1 It may be noted that the Protocol itself gives considerable attention to promoting further negotiations among developing countries, recalling that trade expansion is an important element of the international development strategy which could make an essential contribution to the economic development of developing countries. In adopting their Decision in 1971 concerning the application of the Protocol, the Contracting Parties in recognizing the importance of the expansion of trade among developing countries, expressed the hope that all developing countries will consider acceding to the Protocol.
3. The work described below is being carried out largely on the basis of the utilization of data already existing in the secretariat and computer tabulations in respect of which the United Nations is co-operating in their preparation. Demands on the secretariat's own resources of manpower are thus being kept to a minimum and do not involve any diversion from the on-going task of servicing the multilateral trade negotiations. Full account is also being taken of work proceeding on the expansion of trade among developing countries in other fora, including UNCTAD, in order to avoid duplication of activities.

4. In the collection of technical data the secretariat is proceeding along two lines. Individual country studies are intended to provide a summary picture of relevant points including the economy and development plans, the customs tariff and charges on imports, the import régime and basic data on trade flows. These studies will be supplemented by a series of trade matrices showing, for a range of products of significance in relation to the countries under study, trade between individual developing country exporters and importers at the inter-regional, regional and sub-regional levels, as well as trade with developed countries in aggregate terms.

5. It is expected that the above information will enable interested developing countries to obtain a broad appreciation of the patterns of imports and exports and the available marketing possibilities in developing countries in respect of which these studies are being made, so that consideration can be given to the opportunities that may exist for negotiating tariff and trade concessions with a view to achieving a further expansion of trade between such countries. It is also to be expected that this activity will contribute to the objectives and work of the UNCTAD Committee on Economic Co-operation Among Developing Countries.

6. While the secretariat has initially commenced its work with countries members of the Protocol, it has recently written to all developing countries inviting their participation in the exercise. Such participation would not commit any country to take part in negotiations among developing countries that may eventually take place. This would be for individual countries to decide at the appropriate time, taking into account, inter alia, the possibilities for increased trade which may be identified as a result of the background information being collected by the secretariat and all other considerations that appear to them relevant.

7. Having regard to the above and any other points, members of the Committee may find it opportune to review matters relating to the expansion of trade among developing countries against the background of recent developments.