Committee of Participating Countries

Summary of Discussion at Twelfth Meeting

Held on 22 April 1976

Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its twelfth meeting on 22 April 1976 under the Chairmanship of Mr. I. Parman (Turkey).

2. On behalf of the Committee, the Chairman welcomed the representative of Bangladesh to the meeting for the purpose of exchanging views with members under item 1 of the Agenda on the question of Bangladesh's accession.

3. The draft agenda for the meeting contained in document CPC/W/33 was adopted.

Accession of Paraguay

4. In the light of a request by the representative of Paraguay (CPC/32) for an extension of the time-limit for signature of the Protocol of Accession by Paraguay, members of the Committee present at the meeting, comprising more than two thirds of the membership of the Protocol Relating to Trade Negotiations Among Developing Countries, unanimously adopted the following Decision:

"The COMMITTEE OF PARTICIPATING COUNTRIES decides in accordance with paragraphs 4 and 14 of the Protocol Relating to Trade Negotiations Among Developing Countries to extend the time-limit for signature by Paraguay set out in paragraph 5 of the Protocol for the Accession of Paraguay to the Protocol Relating to Trade Negotiations Among Developing Countries until 31 August 1976."

5. In noting that the time-limit had been extended, it was indicated that the pragmatic approach adopted on this occasion would be without prejudice to the future use of the provisions of the Protocol concerning the voting procedures of the Committee. It was also agreed that the secretariat would communicate the Decision to the representative of Paraguay.
Request for accession by Bangladesh

6. The Chairman recalled that at the last meeting of the Committee, preliminary consideration had been given to the application for accession without negotiations submitted by Bangladesh. A note concerning the foreign trade régime of Bangladesh with certain statistical data had been circulated as CPC/W/27. A summary outlining the main features of the First Agreement on Trade Negotiations Among Developing Member Countries of ESCAP - Bangkok Agreement - taking into account those points which may be relevant to the application for accession to the Protocol by Bangladesh was also circulated at the request of the Committee (CPC/W/34). An informal note prepared by the secretariat containing a draft Decision and a draft Protocol for the Accession of Bangladesh had, in addition, been made available to facilitate the discussions.

7. The representative of Bangladesh explained the background to his Government's interest in acceding without negotiation to the Protocol Relating to Trade Negotiations Among Developing Countries. Bangladesh was a country which had recently faced both natural catastrophes and other severe problems. He noted that the economy of Bangladesh was at present mostly dependent upon one basic commodity, i.e., jute products and Bangladesh had been included in the United Nations list of least-developed countries. His country strongly supported the concept of economic co-operation and expansion of trade among developing countries as recognized, inter alia, in the Protocol Relating to Trade Negotiations Among Developing Countries and in the Declaration adopted at the recent Ministerial Meeting of the Group of 77 in Manila. Hence, the Bangladesh authorities were interested in accession to the Protocol initially without negotiations for the exchange of concessions; in the future and in the light of developments, Bangladesh might be able to consider negotiations involving an exchange of concessions with participating countries. It was his Government's view that the Bangkok Agreement did not constitute an obstacle to Bangladesh's accession to the Protocol. Bangladesh expected that its least-developed country status, which had not been established at the time of the negotiation of the Bangkok Agreement, would be taken into account in the future by ESCAP and the other signatory countries to the Bangkok Agreement. Stating that his authorities were in the process of considering possible terms and conditions for accession, he requested the Committee to postpone adopting a decision on the application for accession without negotiations submitted by Bangladesh until its next meeting.

8. In offering preliminary comments, members of the Committee, recalling that applications for accession to the Protocol would be considered on a case-by-case basis, generally supported Bangladesh's application for accession without negotiations on the basis of the draft Protocol of Accession (CPC/W/31/Rev.1). One member said that his Government's support for accession without negotiations of Bangladesh to the Protocol should be considered as not creating a precedent.

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This note has been circulated as CPC/W/31/Rev.1
in this connexion. He requested some statistical data on existing trade exchanges
between Bangladesh and participating countries. Some representatives, in also
welcoming Bangladesh's application, stated that their authorities had not had
sufficient time to consider the draft Protocol of Accession and agreed to the
postponement of a decision on the application until the next meeting of the
Committee.

9. In response to questions by some members, the representative of the secre­
tariat informed the Committee that the draft Protocol for the Accession of
Bangladesh was basically similar in the operative part to the Protocol for the
Accession of Paraguay reproduced in CPC/29. However, there were certain differences
in the preamble. In terms generally analogous to the main Protocol/Declaration
concerning customs unions and free-trade areas, the third preambular paragraph
took note that it was the intention of Bangladesh, while participating in a
regional arrangement to use its best endeavours to ensure that such an arrangement
would not, by virtue of its provisions governing treatment applicable in respect
of third countries, frustrate the implementation of the provisions of the Protocol
and the attainment of its objectives and on request to consult with participating
countries in this regard. The fourth preambular paragraph took into account
Bangladesh's present stage of development as recognized in the statements made by
several members of the Committee.

10. The Committee agreed to request the secretariat in co-operation with the
representative of Bangladesh to compile and circulate available statistical data
on imports into Bangladesh originating from participating countries and Bangladesh's
exports to participating countries taking into account the items contained in the
schedules of concessions of participating countries. The Committee also agreed
to revert to the question of accession without negotiations to the Protocol by
Bangladesh on the basis of the draft Decision and draft Protocol of Accession
(CPC/W/31/Rev.1) at its next meeting with a view to reaching a decision on the
matter.

Countries having expressed interest in exploring possibilities for accession:

Romania, Sri Lanka, Iran and the Dominican Republic

11. In connexion with procedures for the possible accession of Romania to the
Protocol, the Chairman said that consultations had continued to take place between
the Romanian delegation and the delegations of a number of participating countries
on the basis of product lists with a view to exploring the possibilities offered
for accession by Romania. In the light of these consultations, it was understood
that Romania was considering the next stage of procedures directed towards accession
to the Protocol.
12. With respect to Sri Lanka, the Chairman said that the exchange of product lists and information on commercial policy and trade flows between Sri Lanka and participating countries had continued. However, although indicating continuing interest in exploring the possibilities offered by the Protocol, the Sri Lankan authorities were not yet ready to undertake exploratory discussions with members of the Committee in connexion with possible accession.

13. In the context of exchanging information, Iran had not yet submitted a list of products of export interest, even though a number of participating countries had already forwarded lists of products of export interest to them in the market of Iran. The Iranian delegation had expressed its continued interest in exploring possibilities of accession to the Protocol and had indicated that the preparation of a list was still being considered in Teheran.

14. The Dominican Republic delegation has had some technical problems in preparing for exploratory discussions with participating countries concerning the possibilities for accession. However, the Dominican Republic had reiterated to the secretariat its interest in proceeding with this stage as soon as it is in a position to do so.

15. The Committee took note of the current position with respect to the possible accession to the Protocol of Romania, Sri Lanka, Iran and the Dominican Republic and asked the secretariat to inform the countries concerned of its interest in proceeding with these applications for accession taking into account the mutual advantages to be derived from their membership of the arrangement.

Other matters relating to enlargement

16. The Chairman recalled that at previous meetings, members had generally supported the idea of a new round of negotiations open to all developing countries in the framework of the Protocol which might cover tariffs and other trade measures. The Committee had agreed to revert to the matter taking into account the points raised in CPC/N/32 in relation to timing, scope and objectives, technical preparations, procedures and organization etc., as well as the preliminary comments and suggestions which had been made by delegations.

17. Members of the Committee supported the objectives of expansion and greater liberalization of trade among developing countries through a new round of negotiations open to all developing countries in the framework of the Protocol. Some members, while agreeing on the importance of a new round of negotiations, had certain reservations concerning timing taking into account the present stage of the multilateral trade negotiations. Noting the comprehensiveness of these negotiations these members referred to the difficulties which could be experienced by some delegations in preparing for and servicing two sets of different negotiations at the same time. Furthermore, recalling the important implications of the MTN for
developing countries these members suggested it would be more appropriate to revert to the question of timing of a new round of negotiations among developing countries after some more progress had been achieved in the MEN. In the meantime, the possibilities of accession by interested developing countries should be actively pursued and accession to the Protocol by such countries encouraged by the Committee.

18. Some members reiterated that as regards timing, experience had shown that the initiation of a round of trade negotiations generally took considerable time. Taking into account the need to review commercial policies, the compilation of trade information and the availability in Geneva of trade experts for the GATT multilateral trade negotiations, it was suggested it would be possible to commence the preparatory work for a new round of trade negotiations open to all developing countries at an early date through the setting up of a Trade Negotiations Committee of Developing Countries or of a Preparatory Committee as proposed at the last meeting of the Committee. One member suggested, as a first step, that the secretariat should be asked to draw up a draft time-table for a new round of negotiations among developing countries for consideration by the Committee at its next meeting.

19. The Committee took note of the comments made by delegations supporting the principle of a new round of trade negotiations open to all developing countries in the framework of the Protocol and agreed to revert to the question at a subsequent meeting.

Review of the situation with respect to ratification of the Protocol

20. The Chairman said that since the previous meeting of the Committee, the Permanent Representative of Peru had advised that the Peruvian Government had approved ratification of the Protocol. This was most welcome news; he understood Peru would deposit its instrument of ratification shortly, thus completing the ratification procedures. The representative of the Philippines informed the Committee that as a step preceding ratification, his Government would soon be circulating, to the Committee, through the secretariat, a proposed schedule of concessions of the Philippines.

Annual Report

21. The Chairman said that in order to allow sufficient time for the preparation and finalization of the annual report to be submitted to the relevant meeting of the Committee on Trade and Development and to the CONTRACTING PARTIES, participating countries might foreshadow to their capitals the need to provide the secretariat with relevant information. In this regard, the reporting procedures
summarized in document CPC/W/20 to which is attached a draft pro forma for the provision of statistical information might be used. For comparative purposes, the tabulations should cover, to the extent possible, the calendar or fiscal years 1973, 1974 and 1975. The information supplied by individual participating countries might be accompanied by a short description of developments related to the application of the Protocol.

22. One member, noting that there had been some lack of uniformity in the data provided for previous reports, referred in particular to the following points: (i) import values should show whether they are CIF or FOB; (ii) all values should be rounded to the nearest thousand dollars; (iii) world totals should include the value of imports originating from participating countries; and (iv) the value of imports originating from participating countries should not include imports from those countries not having completed ratification procedures.

23. The Committee took note of the points made and agreed that participating countries should provide the statistics and trade data required for the annual report in as uniform a manner as possible.

Certification of origin

24. The Chairman recalled that in accordance with the provisions of Annex A of the Protocol and taking into account the note issued as CPC/W/29, the Committee had agreed, at its last meeting, that participating countries should update as necessary the information on rules and certification of origin contained in CPC/10 and Addenda. In addition to the updated information provided by the delegation of Mexico issued as CPC/10/Add.3, the delegations of Greece and Tunisia had notified certain additions and modifications to their procedures for certification of origin. The notifications by Greece and Tunisia had been circulated in documents CPC/10/Add.4 and CPC/10/Add.5 respectively. One representative noted that application of the Protocol concessions to products originating in Uruguay was being impaired by the lack of information concerning Uruguayan procedures for certification of origin. In this connexion, the representative of the secretariat said that the Uruguayan delegation had been asked to provide the necessary data which as soon as received would be issued as an addendum to document CPC/10.

25. In taking note of the information provided by some members concerning certification of origin, the Committee requested the secretariat to inform the delegation of Uruguay that an early notification by Uruguay of its certification procedures would be of mutual benefit to countries participating in the Protocol.

Rotation of officers

26. The Chairman said that in accordance with the rules of procedures contained in document CPC/2, his term of office had come to an end. He thanked delegations
for their cooperation in connexion with the activities of the Committee and their encouragement in the efforts being made to bring about the further expansion and liberalization of trade among developing countries in the framework of the Protocol. Under the procedures agreed to for assuming the Chairmanship of the Committee, Uruguay would have normally provided the next Chairman. However, the representative of Uruguay had advised that due to other commitments in the coming months, he would, regrettably, be unable to accept office on this occasion. On the basis of the rotation of the Chairmanship this meant that the representative of Yugoslavia became Chairman with the delegation of Brazil providing the Vice-Chairman. The representative of Yugoslavia, Dr. P. Tomic, assumed the Chairmanship of the Committee for the forthcoming period.

Next meeting

27. The Chairman said that in accordance with the usual procedure, the date of the next regular quarterly meeting of the Committee would be fixed by the Chairman in consultation with delegations.