1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its thirteenth meeting on 26 July 1976 under the Chairmanship of Dr. P. Tomić (Yugoslavia).

2. The draft agenda circulated in document CPC/W/37 was adopted.

3. On behalf of the Committee, the Chairman welcomed the representative of Bangladesh to the meeting for the purpose of exchanging views with members under agenda item 1 concerning the accession of Bangladesh to the Protocol.

Request for accession by Bangladesh

4. The Committee reverted to the question of accession without negotiations to the Protocol by Bangladesh on the basis of the draft Decision and draft Protocol of Accession which had been circulated as CPC/W/31/Rev. 1. At the request of the Committee, a note containing available statistical data on trade between Bangladesh and participating countries, taking into account the items contained in the schedules of concessions of participating countries had been circulated in document CPC/W/38. This note supplemented information provided earlier in CPC/W/27.

5. In an introductory statement (annexed), the representative of Bangladesh provided an outline of the current economic situation of his country and explained the reasons why Bangladesh wished to accede to the Protocol without negotiations. He said that
the draft Protocol for the Accession of Bangladesh (CPC/W/31/Rev.1) was acceptable to his Government subject to the following understandings:

(i) the Protocol of Accession would be valid for a period of three years during which Bangladesh would consider negotiating concessions with other participating countries (CPC/W/31/Rev.1, paragraph 3);

(ii) the Protocol of Accession would be open for signature by Bangladesh until 31 December 1976 (CPC/W/31/Rev.1, paragraph 5); and

(iii) the Protocol of Accession would enter into force on the ninetieth day following the day upon which it had been signed by Bangladesh (CPC/W/31/Rev.1, paragraph 6).

6. In noting the Committee's procedure of examining requests for accession on a case-by-case basis, members of the Committee agreed to Bangladesh's application for accession without negotiations on the basis of the draft Protocol of Accession incorporating the points suggested by Bangladesh. One member said it understood that the accession by Bangladesh without negotiations to the Protocol would not have implications for any regional arrangements or what participating countries might agree upon in other fora.

7. The Committee approved the texts of the Decision and the Protocol for the Accession of Bangladesh as amended and agreed to put the Decision to a vote by participating countries in accordance with paragraph 14 of the Protocol Relating to Trade Negotiations Among Developing Countries. In agreeing that the vote would be carried out by postal ballot, participating countries were urged to cast their votes as quickly as possible.

Countries having expressed interest in exploring possibilities for accession:
Romania, Sri Lanka, Iran and the Dominican Republic

8. In the light of the suggestion made by the Committee at its last meeting, the Chairman said that the secretariat had informed Romania, Sri Lanka and Iran of the Committee's interest in proceeding with the process of considering their possible accession to the Protocol taking into account the mutual advantages to be derived from their membership of the arrangement. The secretariat was also endeavouring to contact the Dominican Republic concerning the matter. The Romanian delegation
had informed the secretariat that their authorities in Bucharest are actively reviewing the situation in the light of the preliminary work and contacts which have taken place with members of the Committee and, among other things, were considering the next stage of procedures directed towards possible accession to the Protocol. The Sri Lankan representative had informed the secretariat that he had conveyed the views of the Committee to his authorities whose response would be made known to the Committee in due course. The representative of Iran had also been informed by the secretariat of the Committee's interest in proceeding with Iran's application to explore possibilities for accession to the Protocol. The response to this enquiry would be made known to the Committee when it became available.

9. The Committee took note of the situation in connexion with the possible accession to the Protocol of Romania, Sri Lanka, Iran and the Dominican Republic and asked the secretariat to keep it informed of developments in this regard.

Other matters relating to enlargement

10. The Chairman recalled that at a number of previous meetings, the Committee had given consideration to the possibility 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. While members supported the objectives of expansion and greater liberalization of trade among developing countries through a new round of negotiations, there were some differences of view regarding the timing of such an initiative and the Group had agreed to revert to the matter at a subsequent meeting. In this connexion, the Chairman drew attention to a secretariat note (CPC/35) describing in summary form the background and objectives of the Protocol, some of the main issues which had become apparent in the initial round of negotiations, the main points relevant to its operation and the possibilities for enlargement of the Protocol.

11. Some members of the Committee believed that the secretariat note on the Protocol was opportune and useful in view of the support given at UNCTAD IV and in other fora to efforts aimed at implementing a programme of economic co-operation among developing countries. Noting that a recent preparatory meeting of governmental experts on economic co-operation among developing countries had agreed to invite the GATT secretariat to participate in an observer capacity at a conference on the subject to be held in Mexico City from 13 to 21 September 1976, one member suggested that the GATT secretariat might make a useful contribution to the conference by presenting documentation describing both the provisions and evolution of the Protocol and the manner in which the arrangement might facilitate further trade co-operation among developing countries.
12. Some members reiterated the importance of commencing a new round of negotiations in the framework of the Protocol which might cover tariffs and other trade measures and be open to all developing countries. One member recalled that at the GATT Ministerial Meeting held in Tokyo in September 1973, his country’s Minister of Commerce had proposed starting another round of trade negotiations among developing countries in parallel with the Multilateral Trade Negotiations which would aim at the exchange of wider and deeper concessions applicable to developing countries only on the basis of the principle of relative reciprocity. This proposal had been reiterated at UNCTAD IV. In stating that his country had received a request for tropical products concessions in the framework of the multilateral trade negotiations, this member suggested that concessions among developing countries could more appropriately be granted in a new round of negotiations among developing countries at an early date within the framework of the Protocol. In supporting the early commencement of negotiations, another member recalled his earlier suggestion that, as a first step, the secretariat be asked to draw up a draft time-table for a new round of negotiations among developing countries for consideration by the Committee. One member recalled the statement he had made at a previous meeting concerning his Government’s reservations with regard to the timing of a new round of negotiations.

13. The Committee agreed that the background note on the Protocol Relating to Trade Negotiations Among Developing Countries (CPC/W/35) should be given wider circulation by making it available to all developing countries. Noting the comments made by a number of delegations, the Committee agreed to revert to the question of enlargement of the Protocol at its next meeting.

Review of the situation with respect to ratification of the Protocol

14. The Chairman recalled that at its last meeting, the Committee had been informed that the Peruvian Government had approved ratification of the Protocol. On 29 April 1976 the Government of Peru deposited its instrument of ratification. Thus, the Protocol entered into force for Peru on 29 May 1976. He also recalled that, at the last meeting, the Committee decided to extend the time-limit for signature of the Protocol of Accession by Paraguay until 31 August 1976. On 17 May 1976, the representative of Paraguay signed "ad referendum" the Protocol for the Accession of Paraguay. It was expected that Paraguay would shortly complete the remaining ratification procedures by depositing the appropriate instrument with the secretariat. The Committee noted that the Philippines was still to complete its ratification procedures.

Annual report

15. The Chairman suggested that in order to allow sufficient time for the preparation and finalization of the annual report to be submitted to the autumn meeting of the Committee on Trade and Development and to the CONTRACTING PARTIES, participating countries might remind their capitals of the need to provide the
The secretariat with relevant information as soon as possible and in any case no later than mid-September 1976. To facilitate the preparation of the third annual report, the secretariat had summarized the main points relevant to reporting procedures in document CPC/W/36, to which is attached a draft pro forma for the provision of statistical information. For comparative purposes, it had been suggested that 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. For convenience, the material provided could then be collated in draft form by the secretariat together with relevant information on the "objectives and considerations" summarized in paragraph 3, points (ii) to (vi) of CPC/W/36. After the report had been given final shape by the Committee of Participating Countries it would then be submitted to meetings of the Committee on Trade and Development and the GATT Council, in advance of the thirty-second session of the CONTRACTING PARTIES in accordance with agreed procedures.

16. The Committee agreed that participating countries should provide the statistics and trade data required for the annual report as early as possible.

Certification of origin

17. 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 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 delegations of Mexico, Greece and Tunisia issued as CPC/10/Add.3, CPC/10/Add.4 and CPC/10/Add.5 respectively, the delegations of Uruguay and Greece had notified certain additions and modifications to their procedures for certification of origin which had been circulated in documents CPC/10/Add.6 and CPC/10/Add.7 respectively.

18. The Committee took note of the information provided by some members concerning certification of origin.

Next meeting

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

Statement by the Delegation of Bangladesh

Bangladesh is an ardent believer in the concept of co-operation among developing countries and, therefore, supports all actions taken so far by the developing countries for bringing this concept into concrete action through regional, sub-regional and inter-regional co-operation and agreements. Bangladesh also gave full support to the Group of 77's position on "Co-operation among developing countries" as reflected in the Manila Declaration and Programme of Action. It is our firm belief that through such co-operation which is the best form of "self-reliance", the developing countries can achieve greater economic benefits. This is precisely the reason why Bangladesh expressed her desire to accede to the Protocol Relating to Trade Negotiations Among Developing Countries and formally applied to the Committee of the Participating Countries for Accession to the Protocol without negotiations. The application of Bangladesh for accession to the Protocol without negotiations has been under the consideration of this Committee for the last few months. At its meeting on 22 April 1976, the Committee unanimously agreed to allow Bangladesh to accede to the Protocol Relating to Trade Negotiations Among Developing Countries without negotiations. This decision of the Committee of Participating Countries of 22 April 1976 was communicated by me to my Government. Now as per instructions of my Government, I would like to put on record the deep appreciation of my Government to the member countries of the Protocol Relating to Trade Negotiations Among Developing Countries for allowing Bangladesh to accede to the Protocol Relating to Trade Negotiations Among Developing Countries without negotiations. Bangladesh believes that by being a member of the family of now 17 countries which is likely to grow in size with the passage of time, she would be able to contribute positively towards achieving the objectives of self-reliance through co-operation among the developing countries.

I have, however, been instructed by my Government to inform the Committee that Bangladesh will accede to the Protocol Relating to Trade Negotiations Among Developing Countries subject to the following understanding:

(i) Protocol of Accession should remain valid for three years during which Bangladesh would consider negotiating concessions with other participating countries.

(ii) Protocol of Accession should be signed before 31 December 1976.
(iii) Protocol should be effective from the ninetieth day after signature.

(iv) Draft Protocol for the Accession of Bangladesh as circulated by the secretariat at the Committee meeting of 22 April 1976 is acceptable to Bangladesh. I would, however, read out paragraph 1(ii) and paragraph 2 as set out in the draft Protocol which, according to my Government, are the correct formulations of these two paragraphs.

Paragraph 1(ii):

"Duties and other regulations of commerce applied by Bangladesh to products originating in participating countries shall not be higher or more restrictive than the duties and regulations of commerce applicable to products originating in countries entitled to most-favoured-nation treatment in Bangladesh."

Paragraph 2:

"Products originating in Bangladesh shall be entitled to the treatment provided for in the schedules of concessions annexed to the Protocol; however, Bangladesh shall not be considered to have any rights accruing in terms of paragraphs 9 and 13 of the Protocol to participating countries with which such concessions were originally negotiated, or accruing to countries having a substantial trade interest in the product or products subject to concessions."

Before I conclude I would like to say a few words on the economic position of Bangladesh. As the distinguished members of the Committee of Participating Countries are aware of the economic situation of Bangladesh, it is not necessary for me to dwell at length on the matter. However, I would like to specifically mention here that Bangladesh has already been listed as a least developed among the developing countries and is, therefore, entitled, like other least developed countries, to special treatment in all regional, sub-regional, inter-regional and international agreements in trade and other economic fields.

The economy of Bangladesh is primarily based on agriculture. About 75 per cent of the total population is still engaged in agriculture. The main agricultural products are rice, jute, tea, etc.

Bangladesh produces about 12 to 13 million tons of food grains per year. But the requirement is about 14.5 to 15 million tons. Bangladesh, therefore, has to import over 2 million tons of food grains every year. This is a big strain on the foreign exchange reserve. Bangladesh is trying her best to modernize her agriculture to increase the food production, but again this is a
very time-consuming and expensive affair. Moreover, Bangladesh being a riverain
country is frequently subject to flood during monsoon and shortage of water
during the lean period (winter) which nullifies all efforts for increasing
production of food grains and other agricultural commodities.

So far as jute is concerned, Bangladesh produces about 5.5 to 6.5 million
bales. More than half of this is consumed within the country for producing
jute products and the rest is exported in raw form. Eighty-five per cent of
Bangladesh total foreign exchange earnings comes from export of jute and jute
products. It is, therefore, clear that Bangladesh's economy is mainly
dependent on export of jute and jute products. The distinguished members of
the CPC are fully aware of the international market situation of jute and
jute products. Synthetics have come in a big way and have already taken away
a big chunk of the jute market. The increased inroad of synthetics into the
domain of jute has really shaken Bangladesh's economy. It is known to every­
body that it is not possible to change the pattern of agricultural production
overnight. Moreover, the climatic and soil situation in Bangladesh would not
permit any major shift in the agricultural production strategy and, therefore,
we will have to depend on jute and jute products for many years to come.

Bangladesh is not a major producer of tea. It produces about 60 to
75 million pounds of tea every year. As the internal consumption is very high,
the export availability is not much. Moreover, there has been considerable
decrease in the consumption of tea in the traditional markets. Therefore,
Bangladesh cannot depend much on this item for her export earnings.

Bangladesh has a population of over 76 million in an area of 55,000 square
miles. Thus Bangladesh is really a very densely populated area. Because of
her big population as well as for basic economic development reasons, Bangladesh
imports are quite substantial.

I am hopeful that the distinguished members of the CPC would give due
consideration to these aspects of the economy when Bangladesh would enter
into negotiations with the member countries for a suitable exchange of
concessions.