COMMITTEE OF PARTICIPATING COUNTRIES

Summary of Discussion at Sixteenth Meeting
held on 29 April 1977

Prepared by the Secretariat

1. The Committee of Participating Countries provided for in the Protocol Relating to Trade Negotiations Among Developing Countries held its sixteenth meeting on 29 April 1977 under the Chairmanship of Mr. P.R. Barthel Rosa (Brazil).

2. The draft Agenda for the meeting circulated in document CPC/W/44 was adopted.

Accession of Romania

3. The Chairman drew attention to document CPC(SECRET)1 and Corr.1 containing a communication from the delegation of Romania, indicating the wish of the Romanian Government to accede to the Protocol. Attached to the application was an offer of tariff concessions by the Romanian authorities. The Chairman in recalling the provisions of paragraph 14 of the Protocol concerning accession, invited comment on the Romanian application.

4. Members of the Committee who spoke on this matter welcomed the Romanian application for accession to the Protocol and expressed interest in the early completion of accession procedures so as to make it possible to expand trade between Romania and participating countries on a preferential basis. Some members suggested that participating countries would require a period of time to examine the offer in terms of their respective export interests in the Romanian market and in relation to the schedules of concessions annexed to the Protocol. Recalling that not all participating countries had been able to consult with Romania during the earlier exploratory process which had taken place, reference was made by some members to the need for statistical information covering items in the Romanian offer showing, among other things, main suppliers and including imports from participating countries. It was also suggested that,
as normally required with respect to accessions, information on Romania's foreign trade régime would be helpful to the Committee in its examination of the application. Some other members, recalling that Romania was already a contracting party to the General Agreement, suggested that, in order not to unnecessarily prolong procedures relating to Romanian accession, a listing of the relevant documentation available in GATT concerning Romania would be sufficient.

5. Some members suggested that following the circulation of the statistical data and other information mentioned above, participating countries might have forty-five days to register their interest in entering into negotiations with Romania. Upon the expiration of that time period, the Committee would meet together with the Romanian representative, to decide on arrangements for the negotiations which could take place in accordance with paragraph 14 of the Protocol.

6. In his summing-up of the discussions on this agenda item, the Chairman noted that the Committee welcomed the application submitted by Romania for accession to the Protocol and agreed to invite the Romanian representative to its next meeting for the purpose of participating in further discussions concerning the application. The Committee had stated its understanding that the schedule of items and possible tariff concessions tabled by Romania constituted the basis for negotiating Romania's accession to the Protocol and that Romania was also willing to consider the mutual exchange of additional tariff concessions with interested participating countries. The Committee agreed to ask the secretariat to provide, in consultation with the delegation of Romania, relevant information including a list of GATT documents concerning Romania's trade régime and statistics relating both to the Romanian offer and trade generally, including trade with participating countries. The Committee agreed that as from the date of circulation of the statistical data and the other information, participating countries would have forty-five days to register their interest in entering into negotiations with Romania. Following the expiration of this time period, the Committee would meet to further examine the application and consider arrangements for negotiations which could take place in accordance with paragraph 14 of the Protocol.

Countries having expressed interest in exploring possibilities for accession

7. The Chairman informed the Committee that the secretariat had kept in touch with the delegations of Sri Lanka, Iran and the Dominican Republic and had nothing new to report on this matter except that interest in the Protocol had been reaffirmed and instructions were still being awaited from capitals. The Committee took note of the information and asked the secretariat to maintain contact with delegations concerned and report any developments at its next meeting.

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1The above understanding has been confirmed to the secretariat by the Romanian delegation.
Matters relating to enlargement

8. The Chairman recalled that, in reiterating general support for a new round of trade negotiations among interested developing countries at the appropriate time within the framework of the Protocol, the Committee at its last meeting had asked 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. A note indicating the secretariat's approach to the collection of such data, basically in terms of a series of country studies and the preparation of trade matrices, had been issued as CPC/W/45. Although the country studies mentioned therein had initially commenced with members of the Protocol, the secretariat was proposing shortly to extend these to other interested developing countries, which were being invited to participate in the work.

9. Members of the Committee, in agreeing with the approach outlined in CPC/W/45, suggested that available information with respect to participating countries and other interested developing countries be circulated as soon as possible. The trade matrices should reflect items on which potential trade between developing countries could take place even though no trade exchanges might exist at the present time. In response to a question, the representative of the secretariat said it was to be expected that the trade matrices would show for items of interest to developing countries trade flows between individual developing countries at inter-regional, regional and sub-regional levels and trade with developed countries in aggregate terms.

10. Some members suggested that information concerning the expansion of trade among developing countries in the framework of the Protocol be made available at the forthcoming meeting of the UNCTAD Committee on Economic Co-operation Among Developing Countries, where it was expected that the secretariat would be represented. In this respect, the representative of the secretariat confirmed that GATT would be represented in an observer capacity at that meeting and, in accordance with normal procedures, relevant information would be provided to the Committee if this appeared useful in the light of the discussions which took place.

11. The Committee took note of the report on the collection of data presented in CPC/W/45 and invited the secretariat to keep it informed at future meetings of progress in this respect.

Review of the situation with respect to ratification of the Protocol

12. The Chairman recalled that at the last meeting, the Committee had noted that the Philippines had still to complete its ratification procedures. The representative of the Philippines stated that his authorities were now ready to ratify the Protocol
on the basis of a modified schedule of concessions which would be submitted shortly to participating countries. The Philippines Government hoped that the modified schedule of concessions necessitated by the revision of the Philippines tariff in accordance with Presidential Decree 34 would meet the approval of all participating countries; his delegation was of course willing and ready to consult with interested delegations. Stressing the belief of his authorities that the Protocol was an important instrument for strengthening economic co-operation among developing countries by expanding access on more favourable terms to each other's markets, he said that the Philippine Government wished to retain flexibility in fulfilling its obligations under the ASEAN Preferential Trading Arrangement similar to that accorded in the Declaration annexed to the Protocol to countries which are members of customs unions or free-trade areas.

13. The Committee noted that the Philippines would shortly be submitting a communication concerning ratification of the Protocol on the basis of a modified schedule of concessions, and that the Philippines delegation would be ready to enter into consultations with any participating country with regard to the Philippines ratification of the Protocol.

Notification by Tunisia

14. In referring to document CPC/39, the Chairman said that Tunisia had recently notified modifications to certain m.f.n. rates in the Tunisian Tariff which affect five products in the Tunisian schedule of concessions under the Protocol. In accordance with the provisions of the Protocol, Tunisia had indicated its readiness to enter into consultations with, and to grant compensation to, any participating country having a substantial interest in these products which found that it had been injured by the measures taken.

15. The representative of Tunisia noted that of the two participating countries apparently affected by the Tunisian action, Spain had indicated that no compensation would be sought from Tunisia.

16. Some members commended the action taken by Tunisia in accordance with the provisions of the Protocol, including its willingness to consult and consider the granting of compensation where injury had been demonstrated. These members expressed the hope that the Committee would take due note of the importance of ensuring that the Protocol was operationally effective by respecting the rights and obligations contained in it as had been done on this occasion by the Tunisian authorities.
17. The Committee decided to provide participating countries with sixty days from the date of the meeting to express in writing interest in pursuing consultations with Tunisia with regard to the matters notified in CPC/39; in the light of any communications received, it would come back to this question at its next meeting.

Certification of origin

18. The Chairman said that since the last meeting of the Committee, Peru had provided the information required with respect to certification of origin in accordance with Annex A of the Protocol. This information which had been circulated as document CPC/10/Add.9 would facilitate application of the Protocol concessions to Peruvian exports. The Committee took note of the information circulated in document CPC/10/Add.9.

Annual report

19. Pursuant to comments made by one member to the effect that not all participating countries had provided data for the last Annual Report (L/4412 and Add.1), the Committee expressed the hope that outstanding information would be provided in the near future.

Rotation of officers

20. The Chairman said that in accordance with the rules of procedures of the Committee contained in document CPC/2, Brazil's term of office had come to an end. He thanked delegations for their co-operation and support for the activities of the Committee. The representative of Chile, Mr. A. Zúñiga, assumed the Chairmanship of the Committee for the forthcoming period, with the representative of Spain becoming the Vice-Chairman.

Next meeting

21. The Chairman said that in accordance with usual procedures, the date of the next regular quarterly meeting of the Committee would be fixed by the Chairman in consultation with members of the Committee and the secretariat.