ENLARGEMENT OF THE PROTOCOL

Note by the Secretariat

1. As indicated in paragraphs 8-12 of the Summary of Discussion (CPC/37) which took place at the October 1976 meeting of the Committee of Participating Countries, members again took up matters relating to enlargement of the Protocol. The Committee agreed to revert at its next meeting to the question of the initiation of the collection of technical data which could serve as background for assessing the prospects of a new round of trade negotiations among developing countries.

2. It might be noted that in the course of the discussions at the last meeting of the Committee on Trade and Development on the Third Annual Report of the Committee of Participating Countries concerning the operation of the Protocol, a number of delegations representing countries parties to the Protocol continued to express support for enlargement of the Protocol. Similar references were made at the thirty-second session of the CONTRACTING PARTIES.

3. Some delegations of participating countries, in expressing support in the Committee on Trade and Development for a new round of negotiations among developing countries in the framework of the Protocol, stated that the purpose of such negotiations would be to encourage the adhesion to the Protocol of a larger number of developing countries and to expand the product coverage and scope of the concessions. Reference was made to the Mexico City Conference on Economic Cooperation Among Developing Countries which, in the field of trade relations, had agreed that a global system of preferences exclusively among developing countries be established with the objective of promoting the development of national production and mutual trade. It was also noted that the Conference had agreed that the UNCTAD Secretariat in cooperation with GATT and the regional commissions should undertake a detailed study of the subject taking full account of existing experiences with respect to such arrangements among developing countries.
4. During the thirty-second session of the CONTRACTING PARTIES, some delegations of developing countries participating in the Protocol, in referring to positive developments with regard to trade exchanges among participating countries as reflected in the Annual Report, again supported the launching of a new round of trade negotiations open to all developing countries in the framework of the Protocol. It was suggested that on the basis of complementarities in the economies of developing countries, the negotiations might aim at the exchange of significant tariff and other trade concessions on as broad a range of products as possible. Attention should also be given to market mechanisms and production structures in developing countries and every effort should be made to ensure large participation in such negotiations.

5. The suggestion was also made that the Committee on Trade and Development should initiate appropriate action with a view to securing the expansion of the Protocol Relating to Trade Negotiations Among Developing Countries both country-wise and item-wise and to evolve a set of practical measures which might be considered at its next session. The International Trade Centre might be requested to provide technical expertise for ensuring the inclusion of sectors and products where optimum results may be expected.

6. In his summing-up, the Chairman of the CONTRACTING PARTIES noted that mention had been made of the rôle which extended trade exchanges among developing countries within the framework of the Protocol Relating to Trade Negotiations Among Developing Countries could play in allowing those countries to take advantage of their production complementarities. He felt that the GATT Council and the Committee on Trade and Development might be expected to keep these matters under close review, (SR.32/3, page 47).

7. In the light of the views expressed by a number of delegations as reflected in the above paragraphs, members of the Committee might wish to consider whether, as a first step towards enlargement of the Protocol, the secretariat might be asked to initiate the collection of the technical background data which was subject to preliminary discussion at the last CPC meeting in order to provide a basis for assessing the prospects of a new round of trade negotiations among developing countries or whether some other approach might be contemplated. It would be expected that such data collection could also contribute to the studies proposed at the Mexico City Conference.