1. The Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries\(^1\), also known as the Enabling Clause, adopted by the CONTRACTING PARTIES at their thirty-fifth session in November 1979, applies, inter alia, to "regional or global arrangements entered into amongst less-developed contracting parties for the mutual reduction or elimination of tariffs and, in accordance with criteria or conditions which may be prescribed by the CONTRACTING PARTIES, for the mutual reduction or elimination of non-tariff measures ... "notwithstanding the provisions of Article I of the General Agreement. This Decision constitutes a standing legal basis for the Protocol Relating to Trade Negotiations Among Developing Countries.\(^2\)

2. The Committee on Trade and Development which has been given primary responsibility for supervision of the implementation of the above Decision, in discussing procedural arrangements for reviewing activities covered by the Decision, took note that reviews of the operation of the Enabling Clause could be co-ordinated with its end-of-year reviews of the implementation of Part IV and that information for the purpose of such reviews should be circulated in good time. Thus, the countries participating in the Protocol submit to the CONTRACTING PARTIES their eighth Annual Report\(^3\) concerning the operation of the Protocol.

3. The present report has three sections. Section I briefly describes the activities of the Committee of Participating Countries during the period under review. Section II contains some general comments on the statistical information provided by participating countries with regard to trading relationships under the Protocol. Section III reproduces the tabulations containing the statistical information supplied by participating countries.

\(^1\)BISD 26S/203-205
\(^2\)The implementation of the Protocol was originally covered by a Decision of the CONTRACTING PARTIES dated 26 November 1971 (BISD 18S/26-28).
\(^3\)The first, second, third, fourth, fifth, sixth and seventh Annual Reports were published in BISD 21S/126, BISD 22S/73, BISD 23S/147, BISD 24S/154, BISD 25S/163, BISD 26S/337 and L/5051 and Addenda respectively.
I. COMMITTEE OF PARTICIPATING COUNTRIES

A. Entry into force and status of ratifications

4. To the time of presenting this report, the Protocol Relating to Trade Negotiations Among Developing Countries, which entered into force on 11 February 1973, had been ratified by sixteen developing countries: Bangladesh, Brazil, Chile, Egypt, India, Israel, Republic of Korea, Mexico, Pakistan, Peru, Romania, Spain, Tunisia, Turkey, Uruguay and Yugoslavia. Paraguay has signed the Protocol ad referendum pending the completion of its domestic procedures and the Philippines has signed but not yet ratified the Protocol.

B. Implementation of the Protocol

5. Participating countries have fully observed the provisions of the Protocol. During the period under review, the articles of the Protocol relating to renegotiation, withdrawal or modification of concessions, emergency action on imports of particular products, temporary suspension of rights and obligations and the withholding or withdrawal of concessions were not utilized by any participating country. No consultations have been sought on measures which have implications for benefits countries may expect to derive from the arrangement. In connexion with the Declaration annexed to the Protocol, membership both in the Protocol and in regional economic and trading arrangements among developing countries has not so far resulted in the notification of any problems for participating countries.

C. Activities of the Committee

6. The Committee of Participating Countries provided for in the Protocol was established for the purpose of giving effect to those provisions of the Protocol involving joint action and generally with a view to facilitating the operation and furthering the objectives of the Protocol. During the period under review, the Committee has held sessions in February, June and November 1981 under the chairmanship of Messrs. H. Hyun (Republic of Korea) and (Romania).

7. In addition to concerning itself with day-to-day issues relating to the operation of the Protocol, the Committee has taken up questions with respect to the expansion of trade among developing countries, having regard to discussions on this subject in GATT and in other relevant international bodies and organizations.

8. In the light of the request of Argentina for accession to the Protocol, the Committee of Participating Countries agreed on procedures for negotiations which are taking place between Argentina and interested participating countries.
9. The question of expansion of trade among developing countries has been engaging the attention of members of the Protocol who have noted that the Committee provides a permanent forum for the mutual expansion of trade and negotiation of preferences. As requested by the Committee, the secretariat has prepared statistical tabulations of exports and imports among participating countries aimed at identifying complementarities in such trade taking into account the concessions embodied in the Protocol. In this connexion and consistently with the provisions of the Protocol, members have left open the opportunity for participating countries to exchange information on commercial policy measures and trade flows with a view to examin the possibilities for expanding their mutual trade.

II. STATISTICAL DATA

10. Available statistics indicate that overall trade among participating countries in products contained in the schedules of concessions was broadly maintained during 1980 with a number of such countries continuing to record an increase in imports of concessional items. While full details of reported trade in products subject to concessions are shown in Section III1/ of the report, an attempt has been made in the following table to provide a summary of certain aspects of this trade. It covers six participating countries which have provided information on trade in concessional items and generally refers to the period 1976-80. For Romania, the statistics cover the years 1978-1980 taking into account that Romania acceded to the Protocol in 1978. As indicated in the summary, aggregate trade in products included in the schedules of concessions for the six reporting countries amounted to approximately US$352 million in 1980.

11. Although noting that the figures are incomplete and reflect trade flows on scheduled items for six participating countries, and taking into account other factors which may influence this trade, the Committee welcomes the continuation of the overall trend which has become evident since commencement of the extraction of relevant data following entry into force of the Protocol in 1973. In recognizing that the Protocol is a first attempt at expanding trade among developing countries at the inter-regional level on the basis of an exchange of trade concessions, the experience suggests that there is considerable scope for promoting increases in trade among developing countries through the further development of trade preferences among developing countries as provided for by the Enabling Clause.

1/Section III is being issued as an addendum to this document.
## Aggregate Trade in Products Subject to Concessions Among Reporting Participating Countries

| Participating Country | Value of Imports/Exports 1 | | Value of Imports/Exports 2 | | Value of Imports/Exports 3 | | Value of Imports/Exports 4 | | Value of Imports/Exports 5 |
|----------------------|----------------------------|---|----------------------------|---|----------------------------|---|----------------------------|---|
| **BRAZIL**           | 1,228                      | 689| 706                        | 468| 8,345                      |
| Brazil               | 1,769                      | Brazil | 2,469                     | Brazil | 2,452                     |
| Chile                | 5,598                      | Greece | 11,034                     | Greece | 3,723                     |
| Mexico               | 5,396                      | 7,083 | 3,994                      | 2,102| 1,748                      |
| Israel               | 317,191                    | Bangladesh | 225,321                  | Bangladesh | 233,254                  |
| Turkey               | 18,156                     | Bangladesh | 36,308                    | Bangladesh | 33,464                  |
| **TOTAL**            | 351,522                    | 271,406 | 282,564                    | 31,284 | 45,977                    |

1/ In US$'000.  
2/ The Protocol entered into force for Romania on 15 September 1978  
3/ Six participating countries.  
4/ Five participating countries.