1. The present eighteenth Annual Report of the countries participating in the Protocol Relating to Trade Negotiations Among Developing Countries is submitted in accordance with the 1979 Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (the Enabling Clause). The Protocol is applied under the provisions of the Enabling Clause, and in particular under the terms of its paragraph 2(c).

I. COMMITTEE OF PARTICIPATING COUNTRIES

A. Entry into force and status of ratifications

2. To the time of presenting this Report, the Protocol Relating to Trade Negotiations Among Developing Countries, which entered into force on 11 February 1973, has been ratified by fifteen developing countries: Bangladesh, Brazil, Chile, Egypt, India, Israel, Mexico, Pakistan, Peru, Republic of Korea, Romania, 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

3. 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.

C. Activities of the Committee

4. 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 May and October 1991 under the Chairmanship of Mr. J.P. Buda and Miss C. Figueroa (Uruguay).
5. 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. During the period the Committee considered a proposal for advanced implementation of Uruguay Round concessions among participating countries within the framework of the Protocol. It was generally felt that the implementation of this proposal would strengthen the Protocol and contribute positively to the expansion of trade among participating countries. However, the adoption of a definite position in respect of this proposal would have to wait for progress in the Uruguay Round negotiations.

6. The Committee considered two questions concerning the schedules of concessions under the Protocol. One of them was the revision of these schedules due to the adoption of the Harmonized System. In this regard the Committee agreed to invite those participating countries having adopted the Harmonized System but which have not submitted their revised schedules of concessions, to do so as soon as possible.

7. Another question considered by the Committee was the erosion of preferential concessions under the Protocol due to the reduction of m.f.n. duties, which have been and will be made as a result of the multilateral trade negotiations or otherwise. With regard to this question the Committee agreed to invite those participating countries whose preferential concessions had been eroded by m.f.n. tariff reductions to take remedial actions if they had not yet done so. These actions might be taken on autonomous and provisional bases pending any new negotiations which might be agreed upon in the future.

8. The Committee had an initial discussion of the suggestion that as a post-Uruguay Round activity of the GATT for developing countries, new negotiations under the Protocol be launched having regard to the new tariff situation resulting from the Uruguay Round or other changes in national tariffs, and agreed to revert to this suggestion at its next meeting in the light of developments in the Uruguay Round.

9. Pursuant to Annex A of the Protocol, two participating countries have updated information with respect to certification of origin.

II. STATISTICAL DATA

10. Available statistics indicate overall trade among participating countries in products contained in the schedules of concessions. Full details of reported trade in products subject to concessions are shown in addenda to this report.