ITEM 5: TRADE NEGOTIATIONS AMONG DEVELOPING COUNTRIES

The annexed text of a draft decision incorporates suggestions made on an informal basis on the draft text circulated in Spec(71)116, following informal discussions in the Contact Group.
DRAFT DECISION

The CONTRACTING PARTIES to the General Agreement on Tariffs and Trade,

RECOGNIZING that individual and joint action is essential to further the development of the economies of developing countries and to bring about a rapid advance in the standards of living in these countries;

NOTING that the CONTRACTING PARTIES may enable developing contracting parties to use special measures to promote their trade and development;

CONSIDERING that trade negotiations among developing countries have as their objective expanding access on more favourable terms for developing countries in one another's markets through the reduction or elimination of tariff/s and non-tariff barriers that affect existing trade flows or inhibit the development of new trading possibilities;

RECALLING that, at the twenty-third session, the CONTRACTING PARTIES recognized that the establishment of preferences among developing countries, appropriately administered and subject to the necessary safeguards, could make an important contribution to the expansion of trade among developing countries and to the attainment of the objectives of the General Agreement;

NOTING that the countries which have participated in these negotiations have drawn up the "Protocol relating to Trade Negotiations among Developing Countries" (hereinafter referred to as the Protocol) with rules to govern the arrangements as well as a first list of concessions, and that these countries intend to keep under review the possibility of promoting negotiations for additions or enlargements to the schedules of concessions;

NOTING that while concessions exchanged in the Negotiations will apply among parties to the arrangements set out in the Protocol, the countries participating in these negotiations have undertaken to facilitate the accession of all developing countries on terms consistent with the latters' individual development, financial and trade needs;
NOTING ALSO that the developed contracting parties have expressed the hope that the results of these negotiations will be extended to the fullest extent possible and at the earliest date to all developing countries.

NOTING FURTHER that the CONTRACTING PARTIES have expressed the hope that all developing countries which have not participated in the arrangements will consider acceding to the Protocol at the earliest date.

RECOGNIZING that these arrangements should not impede the reduction of tariffs on a most-favoured-nation basis;

DECIDE:

(a) that without prejudice to any other article of the General Agreement and subject to the provisions of paragraphs (b)-(e) of this Decision, the provisions of paragraph 1 of Article I of the General Agreement shall be waived to the extent necessary to permit each developing contracting party participating in the arrangements set out in the Protocol (hereinafter referred to as a participating contracting party) to accord to other developing countries preferential treatment as provided in the Protocol with respect to products originating in these countries, without being required to extend the same treatment to like goods when imported from other contracting parties;

PROVIDED THAT any such preferential treatment shall be designed to facilitate trade between developing countries and not to raise barriers to the trade of other contracting parties;
(b) that any participating contracting party which, pursuant to the arrangements set out in the Protocol, introduces or modifies any preferential concessions shall so notify the CONTRACTING PARTIES and shall furnish them with all useful information relating to the actions taken;

(c) that each participating contracting party shall afford adequate opportunity for consultations at the request of any other contracting party which considers that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the arrangements set out in the Protocol,

(d) that any contracting party which considers that the arrangements under the Protocol are being applied inconsistently with this Decision or that any benefit accruing to it under the General Agreement may be or is being impaired unduly as a result of the arrangements and that consultations have proved unsatisfactory, may bring the matter before the CONTRACTING PARTIES, which will examine it promptly and will formulate any recommendations that they judge appropriate; and

(e) that the CONTRACTING PARTIES will review annually, on the basis of a report to be furnished by the participating countries, the operation of this Decision in the light of the aforementioned objectives and considerations and in every fifth year shall undertake a major review of its operation in order to evaluate its effects and with a view to deciding whether this Decision should be continued or modified. In connexion with such annual reviews and major reviews, the participating contracting parties shall make available to the CONTRACTING PARTIES relevant information including effects on trade flows regarding action taken under this Decision.