

DRAFT REPORT (1995) OF THE COMMITTEE ON TRADE AND DEVELOPMENT
TO THE GENERAL COUNCIL

Attached hereto is the Draft Report (1995) of the Committee on Trade and Development to the General Council. Delegations are invited to submit comments, if any, to the Secretariat (Mr. G. Sampson, Tel. 739 51 47) by 12.00 noon, Monday, 4 December 1995.

WORLD TRADE ORGANIZATION

RESTRICTED

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DRAFT REPORT (1995) OF THE COMMITTEE ON TRADE AND DEVELOPMENT TO THE GENERAL COUNCIL

Chairman: H.E. Ambassador HARON Siraj (Malaysia)

Introduction

1. During its first year, the Committee on Trade and Development held four Sessions; on 5 April, 5 July, 14 September and 17 November 1995. This report briefly summarizes the discussions held and the decisions taken during these meetings. More complete details of the work of the Committee on Trade and Development can be found in documents WT/COMTD/M/1-4. The contents of this report are organized in accordance with the work programme of the Committee on Trade and Development.

Organizational Matters and Institutional Arrangements

(i) Rules of Procedure

2. The Committee discussed its Rules of Procedure in both its First and Second Sessions, and they were adopted in the Second Session (WT/COMTD/6). In accordance with the requirements of the Agreement Establishing the World Trade Organization (WTO), the Rules of Procedure were approved by the General Council on 15 November 1995.

(ii) Observer Status

3. In accordance with the *ad hoc* procedures adopted at the General Council concerning observership in different bodies of the WTO, the Committee on Trade and Development invited to its meetings all those organizations which had observer status in the GATT 1947 Committee. Following the request of the United Nations Industrial Development Organization (UNIDO) for observer status, the Committee agreed to add UNIDO to the list of observers. Annex 1 lists those organizations that currently are being invited, on an *ad hoc* basis, to the meetings of the Committee on Trade and Development.

4. While it was suggested that the Committee on Trade and Development should grant observer status to the International Trade Centre (ITC), it was agreed that it should revert to this - and other questions of observership - once the General Council would have completed its work on guidelines for observer status.

(iii) Programme of Work

5. The Committee on Trade and Development adopted, at its First Session, the programme of work for 1995 (WT/COMTD/W/2/Rev.1). In accordance with item 6 of its terms of reference, the Committee reviewed its programme of work at its November meeting and agreed that the 1996 work programme would be slightly modified. The tentative programme of work for 1996 is attached as Annex 2 with the understanding that it may be implemented in a flexible manner.

6. The representative of India requested that the Committee address in 1996 the inclusion, within its terms of reference, of an item referring to the examination of protective action by developed countries against imports from developing countries.

(iv) Sub-Committee on Least-Developed Countries¹

7. The Committee on Trade and Development agreed, at its Second Session, to the establishment of the Sub-Committee on Least-Developed Countries.² Miss Anne Stoddart, Deputy Permanent Representative of the United Kingdom, was appointed Chairperson of the Sub-Committee.

¹A full account of the meeting is found in document WT/COMTD/LLDC/1.

²The terms of reference of the Sub-Committee are contained in document WT/COMTD/2.

8. The Sub-Committee held its First Session on 17 October 1995. Discussions focused on the organization of the work of the Sub-Committee, which adopted its programme of work (contained in Annex 3) and agreed to follow *mutatis mutandis* the Rules of Procedure of the Committee on Trade and Development and to report regularly to that body. The first such report was made orally by the Chairperson at the Fourth Session of the Committee on Trade and Development. At its First Session, the Sub-Committee was also informed that the government of Norway was making an initial contribution of \$2.5 million to establish a fund within the WTO to assist poorer and least-developed countries, particularly those in Africa, to participate more actively and effectively in the WTO.

Programme of Work for 1995

Item A Review of the impact of the results of the Uruguay Round on developing country Members, in particular on the least-developed country Members

9. Matters relating to the notification obligations deriving from the Uruguay Round were raised at the First and Second Sessions of the Committee on Trade and Development. The WTO Secretariat organized, in May 1995 in Geneva, a Workshop on Notifications at which presentations were made by WTO officials on the notification obligations of all Uruguay Round Agreements. A number of representatives stated that the Workshop was helpful and encouraged similar workshops to be held periodically. Some delegations indicated that information on notification requirements was still incomplete, and called for more assistance in this area, not the least because of the lack of representation in Geneva of a number of developing countries.

10. In addition to information on notifications, the Committee on Trade and Development had at its disposal a number of background documents addressing some of the implications of the Round for developing country Members. The Committee conducted a first discussion of the issues involved at its Second and Fourth Sessions, noting that more time was required to review the results of the Round. At the Committee's Fourth Session, requests for additional documentation by the Secretariat were made by delegations.

Item B Review of the participation of developing country Members in the multilateral trading system

11. In addressing this item at the Fourth Session of the Committee, a number of delegations were of the view that the Committee should go beyond merely noting the changes that had taken place throughout the years. The representative of India proposed that the Committee examine, based on an analysis made by the Secretariat, the difficulties that products of export interest to developing countries were facing in different markets - such as technical barriers to trade, safeguard measures, restrictive business practices, etc. The representatives of Ghana and Canada referred to the fact that such analysis should also cover investment, which could be seen as a new key dimension for market access. In this context, the importance of a supportive domestic environment for exports was also referred to.

12. At the same Session, the representative of Singapore proposed that the Committee on Trade and Development establish a Working Group that would consider the numerous suggestions made and give guidance to the Secretariat with respect to the work it was to conduct. Besides, the Working Group could also provide policy guidelines and make recommendations for the Ministerial Conference to be held in 1996 in Singapore, in particular with respect to the special situation of least-developed country Members. A number of delegations, while supporting the proposal, noted that it was important to ensure that the work done in such Group would not duplicate work being done in other international organizations. Following this discussion, the Committee agreed to establish such an open-ended Working Group.

Item C Provision of guidelines for WTO technical cooperation activities as they relate to developing country Members

13. This item was discussed at the Committee's First and Second Sessions. The Committee stressed the need for the WTO Secretariat to coordinate its technical assistance activities with other international organizations with a view to removing any overlap in their programmes and also to ensure that recipient countries of technical assistance benefit fully from their complementarity and competence. The representatives of a number of developing countries expressed satisfaction with the work of the Technical Cooperation and Training Division and called for an increase in resources, so as to enable it to effectively meet the increasing technical assistance needs of developing countries. Support was also shown for the priority given by the WTO Secretariat to the provision of technical assistance to African countries.

Item D Consideration of measures and initiatives to assist in the expansion of trade and investment opportunities (including support for measures of trade liberalization) of developing country Members, in particular the least-developed country Members

14. The Committee addressed the question of credit and recognition for autonomous trade liberalization measures at its Second and Fourth Sessions. Some delegations were of the view that credit and recognition was an issue that should be actively pursued. They pointed out that the suggestions made in the Secretariat document WT/COMTD/W/4 deserved careful consideration, and they requested the Secretariat to make concrete proposals on how to operationalize such suggestions. One delegation referred to the fact that providing credit and recognition for liberalization measures undertaken in the context of adjustment programmes sponsored by the International Monetary Fund and the World Bank was part of the mandate given to the WTO to bring greater coherence to global economic policy-making. On the other hand, a number of delegations stressed that credit and recognition had been dealt with in the Uruguay Round and that, while they welcomed autonomous liberalization measures, these were primarily to the benefit of the countries liberalizing.

15. The Committee noted that discussions were currently being held in the Committee on Agriculture on how to operationalize the *Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries*. The Chairman noted that while duplication of work should be avoided to the extent possible, delegations could raise relevant matters in the Committee on Trade and Development.

Item E Annual review of the application of special provisions in the Multilateral Trade Agreements and related Ministerial Decisions in favour of developing country Members, and in particular least-developed country Members

- Supervision of the implementation of GATT 1994 Part IV and the Enabling Clause

16. Two issues were addressed under this item: the Generalized System of Preferences (GSP) and preferential agreements among developing countries. At its Fourth Session, the Committee took note of the written information on GSP schemes provided by the United States (WT/COMTD/N/1 and Add.1), Japan (WT/COMTD/N/2 and Add.1), European Communities (WT/COMTD/N/4 and Corr.1), New Zealand (WT/COMTD/N/5) and Norway (WT/COMTD/N/6). It also took note of further oral clarifications. Concern was expressed by some developing country Members relating to the

introduction of new conditions under some GSP schemes, as well as changes regarding beneficiary countries of GSP schemes. The representative of Mexico requested that Members consider the possibility of making available information regarding GSP schemes through Internet.

17. The Committee's work relating to preferential arrangements among developing countries was addressed in both the Third and Fourth Sessions. At the Third Session, the Committee adapted the terms of reference of the Working Party on the Southern Common Market (MERCOSUR) Agreement - established by the GATT 1947 Committee on Trade and Development - to reflect the relevant changes necessary for its examination under the GATT 1994. At the Fourth Session, the Committee took note of both the written and oral information regarding the establishment of a Common Market for Eastern and Southern Africa (WT/COMTD/N/3). It also took note of the information provided by ASEAN countries concerning the ASEAN Free Trade Area (WT/COMTD/3) and of the *Memorandum of Understanding on Closer Relations between Bolivia and MERCOSUR* (WT/COMTD/4).

Item F Annual review of WTO technical cooperation activities as they relate to developing country Members

18. The Committee addressed this item at its Fourth Session. A number of delegations commended the technical assistance services of the Secretariat. Support was also shown for the priority given to African countries and for the special contribution made by Norway to technical cooperation activities. Some delegations requested that the technical assistance provided by the Secretariat be broadened so to include capacity-building and diversification of trade capacities. The Committee took note of the ECU 1.1 million that the European Communities (EC) was making available for a technical assistance programme in favour of African, Caribbean and Pacific (ACP) countries. This programme, being elaborated jointly by the EC, the WTO Secretariat and the ACP Secretariat, would be composed of eight regional seminars - to take place in 1996 - aiming at informing both the public and the private sectors of the results of the Uruguay Round and identifying policy measures which could be adopted to assist the ACP countries to obtain the maximum benefits from the Round.

ANNEX 1

Observers in the Committee on Trade and Development

UN bodies and specialized agencies:

Economic Commission for Africa (ECA)
Economic Commission for Europe (ECE)
Economic Commission for Latin America and
the Caribbean (ECLAC)
Economic and Social Commission for Asia and
the Pacific (ESCAP)
Food and Agriculture Organization (FAO)
International Monetary Fund (IMF)
United Nations Conference on Trade and
Development (UNCTAD)
United Nations Industrial Development
Organization (UNIDO)
World Bank
World Food Council (WFC)

Other organizations:

Andean Group Secretariat
Caribbean Community Secretariat
(CARICOM)
Central African Customs and Economic
Union (UDEAC)
Commonwealth Secretariat
Cooperation Council for the Arab States of
the Gulf (GCC)
European Free Trade Association (EFTA)
Inter-American Development Bank (IDB)
International Wheat Council (IWC)
Latin American Integration Association
(ALADI)
Latin American Economic System (SELA)
Organization of American States (OAS)
Organization for Economic Cooperation and
Development (OECD)
Secretariat of the General Treaty on Central
American Economic Integration (SIECA)

ANNEX 2

Tentative 1996 Work Programme of the Committee on Trade and Development

- A. Review of the impact of the results of the Uruguay Round on developing country Members, in particular on the least-developed country Members.
- B. Review of the participation of developing country Members in the multilateral trading system.
- C. Provision of guidelines for WTO technical cooperation activities as they relate to developing country Members.
- D. Consideration of measures and initiatives to assist in the expansion of trade and investment opportunities (including support for measures of trade liberalization) of developing country Members, in particular the least-developed country Members.³
- E. Review of the application of special provisions in the Multilateral Trade Agreements and related Ministerial Decisions in favour of developing country Members, and in particular least-developed country Members.
- F. Review of WTO technical cooperation activities as they relate to developing country Members.
- G. Notification obligations

Items of the work programme will be addressed in accordance with the following time table:

³This include the questions of credit and recognition for autonomous trade liberalization measures and of net food-importing developing countries.

First Session (5 March 1996)

Item B

Item G

Second Session (18 June 1996)

Item A

Item C

Item D

Third Session (15 October 1996)

Item E

Item F

ANNEX 3

Programme of Work of the Sub-Committee on Least-Developed Countries

1. Consideration of the special and specific problems of least-developed countries (LLDCs).
2. Consideration of specific measures to assist and facilitate the expansion of LLDCs' trade and investment opportunities, with a view to enabling them to achieve their development objectives.
3. Review of the operation of the special provisions in the Multilateral Trade Agreements and related Ministerial Decisions in favour of LLDCs and making recommendations to the Committee on Trade and Development for action.

ANNEX 4

Checklist of Documents Prepared for Meetings of the Committee on Trade and Development in 1995⁴

Procedural and institutional matters

Programme of Work for 1995 WT/COMTD/W/2/Rev.1

Rules of Procedure for Meetings of the WT/COMTD/6
Committee on Trade and Development

Sub-Committee on Least-Developed Countries

Decision for the Establishment of the WTO WT/COMTD/2
Sub-Committee on Least-Developed Countries

Note on the Proceedings of the First Meeting WT/COMTD/LLDC/1

Review of the impact of the results of the Uruguay Round on developing country Members, in particular on the least-developed country Members

Preliminary Information on Notifications WT/COMTD/W/1 and Add.1
to be Required from WTO Members -
Note by the Secretariat

Uruguay Round Commitments Undertaken WT/COMTD/W/5
by Developing Country Members -
Note by the Secretariat

⁴Only final versions of documents.

Regulatory Obligations and Other Implications
of the Uruguay Round Agreements -
Note by the Secretariat

WT/COMTD/W/6

Matrix on Regulatory Obligations and Other Implications
of the Uruguay Round Agreements - Addendum -
Note by the Secretariat

WT/COMTD/W/6/Add.1

Review of the participation of developing country Members in the multilateral trading system

Notes on the Participation of Developing Countries
in the Multilateral Trading System -
Note by the Secretariat

WT/COMTD/W/11

Guidelines for WTO technical cooperation

Technical Cooperation Activities of the WTO -
Informal Note by the Secretariat

Note dated 3 April 1995

Technical Cooperation of the WTO -
Relations with Other International Organizations -
Note by the Secretariat

WT/COMTD/W/7

Examination of credit and recognition for autonomous trade liberalization measures

Credit and Recognition for Autonomous Liberalization Measures -
Note by the Secretariat

WT/COMTD/W/4 and Corr.1

Review of the application of special provisions in the Multilateral Trade Agreements and related Ministerial Decisions in favour of developing country Members, in particular least-developed country Members

WTO Measures Relating to Developing Country Members - WT/COMTD/W/10
Note by the Secretariat

Notes on the Participation of Developing Countries WT/COMTD/W/11/Add.1
in the Multilateral Trading System - Addendum -
Note by the Secretariat - Generalized System of Preferences

- Supervision of the implementation of GATT 1994 Part IV and the Enabling Clause

Southern Common Market (MERCOSUR) Agreement - WT/COMTD/1
Updated Text of the Replies

ASEAN Preferential Trading Arrangements - WT/COMTD/3
Information submitted by the ASEAN Members

Memorandum of Understanding on Closer WT/COMTD/4
Relations between Bolivia and MERCOSUR -
Communication from the Republic of Bolivia

Working Party on the Southern Common Market WT/COMTD/5
(MERCOSUR) Agreement - Terms of Reference

Generalized System of Preferences - WT/COMTD/N/1 and Add.1
Notification by the United States

Generalized System of Preferences - WT/COMTD/N/2 and Add.1
Notification by Japan

Common Market for Eastern and Southern Africa WT/COMTD/N/3

Generalized System of Preferences -
Notification by the European Communities

WT/COMTD/N/4 and Corr.1

Generalized System of Preferences -
Notification by New Zealand

WT/COMTD/N/5

Generalized System of Preferences -
Notification by Norway

WT/COMTD/N/6

Annual review of WTO technical cooperation activities as they relate to developing country Members

Technical Cooperation with Developing Countries -
Note by the Secretariat

WT/COMTD/W/12

Notifications

Notification Requirements Related to the Work of
the Committee on Trade and Development -
Informal Note

Note dated 13.11.95

Report of the meetings

Note on the Meeting of 5 April 1995

WT/COMTD/M/1

Note on the Meeting of 5 July 1995

WT/COMTD/M/2

Note on the Meeting of 14 September 1995

WT/COMTD/M/3 and Corr.1

Note on the Meeting of 17 November 1995

WT/COMTD/M/4