



**REGIONAL ECONOMIC CO-OPERATION
IN ASIA AND THE PACIFIC:**

**REPORT OF THE
INTERGOVERNMENTAL COMMITTEE
ON TRADE EXPANSION PROGRAMME
AND
SUMMARY RECORD
OF MEETINGS OF THE
TRADE NEGOTIATIONS GROUP**

REGIONAL CO-OPERATION SERIES NO. 10

UNITED NATIONS

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**ECONOMIC AND SOCIAL COMMISSION
FOR ASIA AND THE PACIFIC**

Bangkok, Thailand

**REPORT OF THE INTERGOVERNMENTAL
COMMITTEE ON TRADE EXPANSION PROGRAMME**

AND

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REGIONAL CO-OPERATION SERIES NO. 10



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Part I

REPORT OF THE INTERGOVERNMENTAL ON TRADE EXPANSION PROGRAMME

I. INTRODUCTION

1. In the Kabul Declaration by the Fourth Council of Ministers on Asian Economic Co-operation convened at Kabul, Afghanistan, in December 1970, the Council of Ministers announced its decision, *inter alia*, "to establish an intergovernmental committee - comprising representatives of regional member and associate member countries of ESCAPE interested in initiating a trade expansion programme - to conduct such an examination of, and make suitable modifications to, the relevant principles and also to deal with other necessary technical and operational matters so that a trade development programme can be launched as speedily as possible." In pursuance of this mandate the first meeting of the Intergovernmental Committee on Trade Expansion Programme was convened at Bangkok, Thailand, from 12 to 17 November 1971.

Attendance

2. The meeting was attended by the representatives of Australia, India, Indonesia, Iran, Japan, Khmer Republic, Republic of Korea, Laos, Malaysia, New Zealand, Pakistan, Philippines, Republic of Viet-Nam, Singapore, Thailand and Hong Kong.

3. The list of representatives is attached as annex I to the report.

Statement by the Executive Secretary

4. U Nyun, Executive Secretary of ECAFE, invited the attention of the Committee to the relevant decision embodied in the Kabul Declaration on Asian Economic Co-operation and Development unanimously adopted by the Council of Ministers on Asian Economic Co-operation. The text of his statement is given in annex II to the report.

Election of the Chairman and Vice-Chairmen

5. Mr. Eliseo Villamor (Philippines) was elected Chairman, and Mr. K.S. Raghupati (India) and Mr. Y.K. Yoon (Republic of Korea) was elected Vice-Chairman.

Adoption of the agenda

6. The agenda, as adopted by the Committee, is given in annex III to the report.

Drafting committee

7. A drafting and technical committee of the whole was set up to discuss technical and procedural matters, and to prepare the draft report with Mr. Eliseo Villamor (Philippines) as Chairman. It held two meetings.

Closing session

8. The report of the Committee was adopted.

9. The Committee unanimously adopted a vote of thanks to the Royal Government of Thailand, the Chairman, Vice-Chairmen and the ECAFE secretariat. It also expressed its deep appreciation of the co-operation afforded by the secretariats of UNCTAD and GATT, which had sent their experts to participate in, and give valuable assistance to, the Committee's deliberations.

II. ACCOUNT OF THE PROCEEDINGS

10. Pursuant to the Kabul Declaration, the secretariat placed before the Committee the various documents listed in annex IV to this report.

11. In the light of the documentation and of the Committee's discussions, the Committee unanimously agreed that an Asian Trade Expansion Programme among Developing Countries, as outlined in section III, be launched. The Programme itself reflects the important relevant elements, drawn from the earlier documents, suggestions and advice, as well as from the Committee's own deliberations.

12. In order to implement the above programme, the Executive Secretary was requested to convene as soon as possible the first meeting of a Trade Negotiations Group, which would consider and agree on its work programme. He was further requested to take such

steps as might be necessary to ensure fruitful deliberations by the Trade Negotiations Group and, to that end, to undertake the necessary preparations, including the provision of technical assistance to interested countries.

13. The representatives of the developed countries of the region reiterated their support of the ECAFE developing countries' efforts in the field of trade expansion. It was recognized that the developed countries would have an important and positive contribution to make to the trade expansion scheme outlined in section III.

III. FRAMEWORK OF AN ASIAN TRADE EXPANSION PROGRAMME AS AGREED UPON BY THE INTERGOVERNMENTAL COMMITTEE

14. There is urgent need to take action to implement a trade expansion programme among the developing ECAFE countries in the context of the Kabul Declaration, paragraph 39 of the International Development Strategy for the Second United Nations Development Decade, of the relevant resolutions of UNCTAD and of the adverse developments in international monetary and trade fields which are likely to hamper the economic development of the developing countries.

15. Such efforts of the ECAFE developing countries should receive the fullest support of the developed market economy countries and the socialist countries of Eastern Europe as envisaged in paragraph 40 of the International Development Strategy for the Second United Nations Development Decade contained in General Assembly resolution 2626 (XXV), in resolution 23 (II) of UNCTAD, and in the Kabul Declaration adopted at the Fourth Council of Ministers on Asian Economic Co-operation.

16. Considerable work has already been done in the forum of ECAFE to evolve proposals concerning trade expansion programmes among the ECAFE developing countries? and these proposals range from very simple to complex types. It is evident that, at the current stage, any scheme of trade expansion among developing countries in this region with reasonable assurance of effective implementation should be a simple programme with a considerable degree of flexibility and, initially, modest objectives. It is clear that there should be no *a priori* commitments, such as reduction or elimination of tariff and non-tariff barriers or any definite increase of imports.

17. The attempt at this stage should be to identify those developing countries in the region which are

actively interested in participating at the regional or subregional level in such a scheme of trade expansion. These countries would enter into negotiations for trade development and expansion among themselves on a mutually advantageous basis and with a view to providing increased access to their markets for products of other participating countries, taking into consideration their existing commercial policies and national development plans. Such a scheme of trade expansion should foster the rational and outward-looking expansion of production and trade and avoid undue injury to the trading interests of third parties, including developing countries.

18. Action should be taken by the ECAFE secretariat for the early establishment of a negotiation group of interested developing countries. The participating countries may by themselves determine further methods and means of conducting such detailed negotiations as may be required by particular items or proposals under negotiation. Any scheme of trade expansion should be open to participation by all ECAFE developing countries on a voluntary basis. Developing countries that did not participate in the programme from the beginning would be welcome at a later stage as may be arranged with the negotiation group. All the member countries represented on the Intergovernmental Committee on Trade Expansion would be informed through periodic reports of the progress of the negotiations; those reports, wherever possible, would include the specific areas for which assistance is required.

19. Countries participating in any programme for trade expansion would be at liberty to do so by any means at their disposal within the framework of their over-all trade and development policies, including such measures as tariff quotas, adjustments of tariff and non-tariff barriers, bulk purchases, state trading, government purchases and trade-cum-investment.

20. The participating countries should attempt to provide appropriate measures for the least developed among them in the programme for intra-regional trade development and expansion.

21. Of the several approaches towards trade expansion discussed in the past, the most practicable and simple appears to be the product-by-product approach. To this end, in order to set in motion the process of trade expansion, the participating countries should provide the ECAFE secretariat with a list of the significant items regarding which they have export capabilities, and a list of items for which they have import opportunities. Furthermore, wherever possible, information should also be furnished in regard to facilitation measures required or those which the Governments would be willing to undertake. The ECAFE Executive Secretary

should take appropriate action to convene meetings of the trade negotiation group. It is understood that the product-by-product approach does not preclude other approaches or devices for trade expansion as may be agreed upon by negotiating countries.

22. Trade expansion is the end product as well as an instrument of economic growth and social development. Accordingly, it will also be necessary to initiate negotiations for arrangements, including joint ventures, in related sectors of industrial, agricultural, mineral and other production and for improving the infrastructure and other facilities which are indispensable for the success of the trade expansion programme.

Annex I

LIST OF PARTICIPANTS

MEMBERS

AUSTRALIA

Representative: Mr. J. Lord, Department of Trade and Industry, Canberra

Alternate: Mr. A.R. Taylor, First Secretary and Liaison Officer to ECAFE, Australian Embassy, Bangkok.

INDIA

Representative: Mr. K.S. Raghupathi, Joint Secretary, Ministry of Foreign Trade, New Delhi.

Alternates: Dr. Ramaswamy Mani, First Secretary and Deputy Permanent Representative to ECAFE, Indian Embassy, Bangkok.

Mr. Ved Parkash, Assistant Director, Ministry of Foreign Trade, New Delhi.

INDONESIA

Representative: Mr. Soepriardjo Gondoprijono, Minister Counsellor and Permanent Representative of Indonesia to ECAFE, Embassy of the Republic of Indonesia, Bangkok.

Alternate: Mr. S. Mooljo, Commercial Attache, Embassy of the Republic of Indonesia, Bangkok.

IRAN

Representative: Mr. Foreidoon Golshan-Bozorg, Chief, Western Europe Foreign Trade Department, Ministry of Economy, Tehran.

JAPAN

Representative: Mr. Eiji Seki, First Secretary and Permanent Representative of Japan to ECAFE, Embassy of Japan, Bangkok.

Alternates: Mr. Hiromoto Seki, First Secretary and Alternate Permanent Representative to ECAFE, Embassy of Japan, Bangkok.

Mr. Tadao Morotomi, Financial Co-operation Division, Economic Co-operation Department, Trade and Development Bureau, Ministry of International Trade and Industry, Tokyo.

KHMER REPUBLIC

Representative: Mr. Hak Eng, Counsellor and Permanent Representative of Khmer Republic to ECAFE, Embassy of Khmer Republic, Bangkok.

LAOS

Representative: Mr. Sisavath Souvanlasy, Commercial Counsellor and Permanent Representative of Laos to ECAFE, Royal Embassy of Laos, Bangkok.

MALAYSIA

Representative: Mr. Mon Jamaluddin, Counsellor and Liaison Officer to ECAFE, Embassy of Malaysia, Bangkok.

Alternate: Mr. N. Mahalingam, Senior Assistant Director, Trade Division, Ministry of Commerce and Industry, Kuala Lumpur.

NEW ZEALAND

Representative: Miss F.M.C. Lee, Assistant Director, Trade Policy Division, Department of Industries and Commerce, Wellington.

Alternate: Mr. N.W. Craig, First Secretary (Commercial), New Zealand Embassy, Bangkok.

PAKISTAN

Representative: Mr. Tewfiq Fehmi, Commercial Attache, Embassy of Pakistan, Bangkok.

Alternates: Mr. Mahboob Alam, Third Secretary, Embassy of Pakistan, Bangkok

Mr. Mohd. Iqbal Uddin, Commercial Officer, Embassy of Pakistan, Bangkok.

PHILIPPINES

Representative: H.E. Mr. Elisco Villamor, Under-Secretary of Commerce and Industry, Department of Commerce and Industry, Manila.

Alternates: Mr. Pedro M. Quilino, Commercial Attache and Philippine Liaison Officer to ECAFE, Embassy of the Republic of Philippines, Bangkok.

Mr. Pablo B. Gatchallan, Consul and Second Secretary, Embassy of the Republic of the Philippines, Bangkok.

REPUBLIC OF KOREA

Representative: Dr. Young Kyo Yoon, Counsellor and Permanent Representative of Korea to ECAFE, Embassy of Korea, Bangkok.

Alternates: Mr. Chong Jik Ahn, Director, Foreign Department, Bank of Korea, Seoul.

Mr. Gang Yon Lee, Assistant Chief, International Finance Division, Foreign Exchange Bureau, Ministry of Finance, Seoul.

REPUBLIC OF VIET-NAM

Representative: Mr. Bui-Tien-Rung, First Secretary and Economic Attache Permanent Representative to ECAFE, Embassy of the Republic of Viet-Nam, Bangkok.

SINGAPORE

Representative: Mr. Ho Wing Yin, Senior Assistant Director, Trade Division Ministry of Finance, Singapore.

THAILAND

Representative: Mr. Vicharn Nivatvongs, Director-General, Department of Foreign Trade, Ministry of Economic Affairs, Bangkok.

Deputy Representative: Mr. Suthee Natvaratat, Deputy Under-Secretary of State for Economic Affairs.

Alternates: Dr. Vichitvong Na Pomphejara, Acting Director of Industrial Economic Division, Economic Department, Ministry of Industry

Dr. Suchati Chuthasmit, Chief of International Economic Division, Economic Department, Ministry of Foreign Affairs.

Mr. Nibhat Bhukkanasut, Chief Economist, Fiscal Policy Office Ministry of Finance.

Miss Udomsab Techakampuch, Assistant Economist, Department of Economic Research, Bank of Thailand.

Mr. Kiattisak Meecharoen, Assistant Economist, Department of Economic Research, Bank of Thailand.

Mrs. Orasri Swangwan, First Grade Technical Officer, Department of Foreign Trade, Ministry of Economic Affairs.

ASSOCIATE MEMBER

HONG KONG

Representative: Mr. A. Leung, Administrative Officer, Economic Branch, Colonial Secretariat, Hong Kong.

SECRETARIAT

U Nyun	Executive Secretary
Mr. A.G. Menon	Officer-in-charge for the Executive Secretary
Mr. Prok Amranand	Chief, International Trade Division.
Mr. C. Suriyakumaran	Chief, Policy and Co-ordination Office, and Special Assistant to the Executive Secretary.
Prof. S.Y. Lee	Consultant, International Trade Division.
Mr. S. Narashimhan	Consultant, International Trade Division.
Mr. A.F.V. D'Sousa	Consultant, International Trade Division.
Mrs. R. Smits	Consultant, International Trade Division.
Mr. J. Sol	Interregional Adviser, Division for Trade Expansion and Economic Integration, UNCTAD
Mr. H.G.W. Leonhardt	Counsellor, Development Division, GATT
Mr. V.P. Sawhney	Adviser, Research and Planning Division.

Annex II

STATEMENT BY U NYUN, EXECUTIVE SECRETARY OF THE UNITED NATIONS ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

Distinguished Delegates, Ladies and Gentlemen:

I have great pleasure in welcoming you all to the first meeting of the Intergovernmental Committee on Trade Expansion Programme.

As you all know, the Council of Ministers on Asian Economic Co-operation unanimously adopted on 19 December 1970 the Kabul Declaration on Asian Economic Co-operation and Development. The Council decided, *inter alia*, "to establish an intergovernmental committee - comprising representatives of regional member and associate member countries of ECAFE interested in initiating a trade expansion programme - to conduct such an examination of, and to make suitable modifications to, the relevant principles and also to deal with other necessary technical and operational matters, so that a trade development programme can be launched as speedily as possible".

In pursuance of the mandate given to the ECAFE secretariat in the Declaration, the Governments concerned were asked to communicate to us their interest in participating in the meeting. I am grateful for the response and look forward to the successful completion of the initial stages of your work during this session of the Committee.

I do not propose to go into the history of the intra-regional trade development efforts; suffice it to say that during the 1960s several approaches were examined in depth. There is, therefore, no shortage of proposals concerning a trade expansion programme among ECAFE developing countries. What has been significant in these, and evident, is that countries very much desire intra-regional trade expansion, at the same time, they are reluctant to embark at once on ambitious schemes, particularly where the implications of commitments may still be unclear. This does not mean that they want only modest schemes, but that they see merit in a modest initial programme that would be widely accepted and readily implemented. Having said this I do wish to emphasize that the time has come to make a special effort to expand the regional trade, even if only on a limited scale at the beginning. Such an initiative carries with it a significant potential for future growth in trade and economic activities at the national and regional levels.

As I said at the Kabul meeting of the Council of the Council of Ministers, the point at which the coun-

tries of Asia and the Far East have now arrived places them in a situation that is both propitious and compelling. Some of the Asian ministers who met at Bangkok very recently have echoed this thought. Certainly the international monetary and trade crises which have developed in recent months will, if not resolved quickly, have far-reaching adverse effects on the economies of the poorer countries of the region. It is my conviction that at this crucial time the countries of the region should not wait to be dictated to by policies and measures over which they have had no control, but should combine their efforts and, if necessary, make some initial sacrifices, so that they may reap lasting benefits in the years to come. Indeed, the type of limited initial effort to which I referred earlier does not necessarily require initial sacrifices. I am sure it should be quite possible to identify, on a reciprocal basis, a number of items in respect of which each of the countries would seek mutually advantageous trading arrangements. I suggest that this be made an important element of any regional exercise. Of course, political will and determination are required if the countries are to launch successfully a multinational scheme from which substantial benefits can be expected.

In order that our work may proceed expeditiously, it will be useful if you arrive at an early consensus regarding an appropriate working hypothesis to govern this exercise. Experience in international trade negotiations, or any negotiations, shows that without an agreed working hypothesis no negotiations can start. Time targets, product coverage, country coverage and other relevant matters may need to be discussed, and the contribution that each Government can make to the success of this trade expansion programme should be spelt out unambiguously.

Having done this, you would have in effect a Framework for Intra-Regional Trade Consultations, which should be clear but informal, avoiding legalistic codes or rules with their irrevocable commitments to unquantified effects. The Consultations could be held under the auspices of ECAFE; ECAFE might, in fact, have a key role, since the exercise is not simply bilateral, and some intensive work on identifying new trade possibilities, based on the country lists of commodity items, would be essential.

It must be recognized, however, that the underlying objective of all our work is trade expansion over as wide an area as possible. It is not our intention to carve

out an artificial trading area without due consideration of comparative costs and of the need to ensure the most efficient utilization of resources. Our primary object is to reduce the trading constraints now applied to the products of the developing countries of this region, so that we may set in motion a process which will result in an expansion of total trade and real incomes in our countries.

In the pursuit of these endeavours the developed countries of our region have undoubtedly an important and active role to play. The development of a higher momentum in the region's trade will set in motion a demand for an enlargement of infrastructure, in communications, shipping, transport, ports and harbours, electricity, water service, machinery, and so on. The

developed countries of the ECAFE region are an eminently suitable source of such goods and services, the demand for which will be a by-product of the programme for trade expansion. The demand for capital and other intermediate goods, in which the developed ECAFE region has a comparative advantage, is also likely to expand and it is our hope that these countries will take advantage of these opportunities.

In making our preparations for this meeting, we have had the benefit of consultations with the UNCTAD and GATT secretariats, to which our thanks are due. The ECAFE secretariat is pledged to give its utmost support to your endeavours.

I wish you every success in your deliberations.

Annex III

AGENDA

1. Opening address
2. Election of the chairman and vice-chairmen
3. Adoption of the agenda
4. Examination of relevant principles on the trade expansion programme and consideration of suitable modifications thereto
5. Consideration of other technical and operational matters with a view to launching a trade development programme as speedily as possible
6. Other matters

Annex IV

LIST OF DOCUMENTS ISSUED

- | | |
|-----------------------|---|
| 1. TRADE/TLP/TEP(1)/2 | Provisional agenda |
| 2. TRADE/TLP/TEP(2)/3 | Annotated provisional agenda |
| 3. TRADE/TLP/TEP(1)/1 | Document containing: |
| | (a) Relevant part of the Kabul Declaration on Asian Economic Co-operation and Development |
| | (b) Relevant part of the report of the Meeting of Government and Central Bank Officials on Regional Trade and Monetary Co-operation |
| | (c) Considerations and proposals for regional trade and monetary co-operation in the ECAFE region (TRADE/RTMC/1) |
| | (d) Report of the High-Level Missions (TRADE/RTMC/1 Add. 1) |

- | | |
|--------------------------------------|--|
| 4. TRADE/TLP/TEP(1)/4 | Equitable sharing of benefits among developing countries participating in an Asian trade expansion programme |
| 5. TRADE/TLP/TEP(1)/5 | Specific practical difficulties inherent in diverting initially a small percentage of the total requirements from extra-regional to intra-regional sources of supply |
| 6. TRADE/TLP/TEP(1)/C.R.1 | A possible course of action relating to the proposed trade expansion programme among the developing countries in the ECAFE region |
| 7. TRADE/TLP/TEP(1)/C.R.2 | A note on further examination of the draft principles for trade expansion |
| 8. TRADE/TLP/TEP(1)/C.R.3 | List of statistical tables and supplementary background documents for reference purposes |
| 9. TRADE/TLP/TEP(1)/C.R.4 | Consideration for the need for region co-operation in cement production and trade |
| 10. TRADE/TLP/TEP(1)/C.R.5 | Prospect of regional co-operation and fertilizers for developing ECAFE countries |
| 11. TRADE/TLP/TEP(1)/C.R.6 & Coord.1 | Trade in raw cotton and cotton textiles in the developing ECAFE countries |
| 12. TRADE/TLP/TEP(1)/C.R.7 | Spices |
| 13. TRADE/TLP/TEP(1)/C.R.8 | Iron and steel |

Part II

SUMMARY RECORD OF MEETINGS OF THE TRADE NEGOTIATIONS GROUP

INTRODUCTION

Pursuant to the recommendation of the Intergovernmental Committee on Trade Expansion Programme set up in 30 November 1971 under the Kabul Declaration of December 1970 by the Fourth Council of Ministers on Asian Economic Co-operation and Development, a Trade Negotiations Group among interested developing countries of ESCAP was organized to take action, among other things, on the implementation of the recommendation of the Committee in the field of trade development and expansion programme through trade negotiations.

A summary record of the meetings of the Trade Negotiations Group held from 1972 to 1975 is given below. A list of the studies prepared in connexion with the deliberations of the meeting is given in annex I.

First meeting: 14 February 1972

Thirteen developing countries of the ESCAP region attended the organizational meeting on 14 February 1972 at Bangkok. The countries were Ceylon, Hong Kong, India, Iran, Khmer Republic, Malaysia, Pakistan, Papua New Guinea, the Philippines, Republic of Korea, Singapore, Thailand and the Republic of Viet-Nam. Mr. Suthee Natvaratat, Deputy Under-Secretary of State for Economic Affairs, Thailand, was elected Chairman. The Group adopted a work programme and time-table for the implementation of the Asian Trade Expansion Programme. The ESCAP secretariat was made a focal point for the exchange of information among the participating countries and was also requested to undertake the necessary research and studies to ensure fruitful negotiations and speedy implementation of the project.

The work programme involved the following:

(a) Develop an information service in the ESCAP secretariat for ready reference and research, include such information as production, trade regimes, marketing developments, tariffs and non-tariff barriers affecting specific products and opportunities for industrial ventures?

(b) Draft working hypothesis or ground rules for negotiations and organizing bilateral and multilateral consultations and negotiations;

(c) Prepare provisional lists of products of export interest and import opportunities for individual countries to be used as a basis for further elaboration and improvement by the countries concerned;

(d) Render technical assistance to countries in the preparation of realistic lists of export capabilities and import opportunities and conduct investigations in the countries, upon request, in the field of primary and traditional commodities, engineering goods, mineral products, consumer goods, chemical products and tariff and non-tariff problems;

(e) Undertake studies, in co-operation with other United Nations agencies, on possibilities of joint action on commodities, co-operation in industrial and infrastructure developments, long-term arrangements, bulk purchases, government procurement, etc.

A time-table was agreed upon and target dates were fixed for each portion of the work programme:

1. Issue a questionnaire on export capabilities, import opportunities and import regimes and such other information as may be required to enable participating countries to enter into meaningful negotiations.

2. Transmit to participating countries, for their consideration, (a) information compiled by the secretariat on the significant items in which the countries concerned have export capabilities and on those in which they have import opportunities; (b) trade regimes of individual countries and facilitation measures required by each country and those which each country would be willing to undertake; (c) possible areas of co-operation in commodity trade, industrial joint ventures and other such areas as would be of relevance to trade expansion.

3. Prepare and transmit a preliminary draft of working hypotheses or ground rules for negotiations.

The Group set the date of 30 November 1972 for the first round of consultations and negotiations including, if necessary, further examination of the working hypotheses of the ground rules for negotiations.

Second session: 19-20 January 1973

A second session of the Trade Negotiations Group was convened on 19 and 20 January 1973. Mr. Somphorn Thepsithar of Thailand was elected Chairman. The session was attended by representatives of Hong Kong, India, Iran, Pakistan, Philippines, Republic of Korea, Singapore, Sri Lanka and Thailand.

The Group adopted the ground rules and the procedure for the negotiations. Among other things, the ground rules identified the countries eligible for the negotiations. They also spelled out the procedures to be followed in the negotiations, giving emphasis to the principle of mutual benefit, taking into account the current level of trade and future development and trade areas of the different negotiating partners. Under the adopted procedures, the negotiations would be held on the basis of a product-by-product approach or other approaches devised as might be agreed upon by participating countries so as to cover all the measures referred to in the Framework of an Asian Trade Expansion Programme (see annex II - Ground Rules for Negotiations).

During the second session the countries also agreed to exchange provisional request lists (export items) and specify as far as possible, what facilitation measures were sought from the country to which they were addressed. Provisional offer lists were also to be submitted and should indicate, as far as possible, the facilitation measures offered.

The specific lists of requests and offers made in response to a country's request would form the basis for negotiation and exchange of concessions between all participating countries. The secretariat made a study of the information regarding possible areas of co-operation in commodity trade, industrial joint ventures and other such areas as would be of relevance to trade expansion.

For the information of the Group and ease of perusal, the secretariat prepared in tabular form the trade regimes in 11 developing countries of the ESCAP region for 18 broad-category projects. The products selected were fairly representative, each being of export interest to several developing countries of the region. Information on tariffs and import regimes were provided in addition to the statistics of imports of each product into the individual country from ESCAP developing countries and other parts of the world.

The countries included in the study were: Hong Kong, India, Iran, Laos, Malaysia, Pakistan, Philippines, Republic of Korea, Singapore, Sri Lanka and Thailand; and the categories of products were the following:

1. Articles of rubber
2. Cotton yarn and thread
3. Wood manufactures
4. Manufactures of leather or of artificial or re-constituted leather
5. Veneers and plywood boards
6. Primary batteries and cells
7. Cotton fabrics
8. Footwear
9. Children's toys and indoor games
10. Articles of plastic materials
11. Insulated wires and cables
12. Clothing of textile fabrics
13. Maize
14. Pepper
15. Tea
16. Jute and allied fibres
17. Fertilizer
18. Cement

Third session: 1-8 August 1973

The third session of the Group was convened at Bangkok from 1 to 8 August 1973 to consider the request and offer lists of the countries. Thirteen countries attended, with Mr. Somphorn Thepsithar of Thailand as Chairman. The countries were Bangladesh, Hong Kong, India, Khmer Republic, Laos, Malaysia, Pakistan, Papua New Guinea, Republic of Korea, Republic of Viet-Nam, Sri Lanka and Thailand. The secretariat prepared a study on state trading in developing countries in the ESCAP region based on the information supplied by some of the participating countries. The Group held 34 bilateral discussions and several second-round consultations during the period of nego-

tiations. The consultations enabled the representatives to exchange information on their trade regimes and to identify, tentatively, certain products of export interest on the basis of request lists presented by participating countries. Some delegations were not ready to submit the request lists in time for the meeting but agreed to complete their lists by the end of August 1973.

The consultations during the session had been useful and constituted a positive step towards far-reaching results for trade expansion among developing countries. The Group agreed that each Government would consult the various departments concerned and study the implications of tariff and non-tariff reductions on national revenue, domestic industries and expansion of trade. The next round of consultations and negotiations was tentatively set for November 1973. Each Government would have two full months (September-October) to study the requests of the countries and by then they would be in a position to give mandates or instructions to their representatives on maximum limits of concessions that might be provisionally offered, and the extent of concessions to be requested in the course of the forthcoming sessions of negotiations.

Fourth session: 15-21 January 1974

The session scheduled for November was held from 15 to 19 January 1974 at Bangkok. The meeting was the fourth session of the Group and it was unanimously decided that Mr. Prok Amranand, Chief, International Trade Division, ESCAP, be the Chairman of the current session, in line with the practice in GATT. Representatives of the following countries attended the session: Bangladesh, India, Indonesia, Khmer Republic, Laos, Malaysia, Pakistan, Papua New Guinea, Philippines, Republic of Korea, Republic of Viet-Nam, Sri Lanka and Thailand.

The group reviewed the progress made since its previous session. A study of the pattern of trade had been undertaken and circulated by the secretariat. It covered tariff and non-tariff barriers and statistics on imports of 9 ESCAP developing countries for 78 products, selected on the basis of the request lists received at the time.

Sixty-one bilateral discussions were held and for the first time exchanges of firm request lists were presented. In some cases, offers were made of appreciable reductions in tariffs on specified commodities. Possibilities of bulk purchases of specific commodities under long-term arrangements, joint ventures, liberalization of exchange control, State trading and other trade facilitation measures were considered by the group.

Although final requests were submitted by most of the countries attending the meeting, considerable improvements in matters relating to product description, tariff reductions, etc. were still required in some cases and for most countries full information on non-tariff barriers imposed on products given in the request lists submitted by their trade partners needed to be furnished.

Hope was expressed that firmer offers and responses be made during the next consultation period so that the negotiations could proceed at an accelerated pace and an early signing of the protocol be made possible.

To facilitate the work at the national level, the creation of an inter-ministerial committee within each Government was suggested by the Group as it was observed that the delegations from countries in which such machinery existed had been able to negotiate more effectively and that the need for such a committee would be more evident as the negotiations progressed and expeditious official decisions were required.

At the secretariat level, the following were required:

(a) Enlargement of the study on tariff and non-tariff barriers in order to cover more commodities, selected on the basis of new request lists and more countries;

(b) Reproduction of the present study on tariff and non-tariff barriers, with minor changes, and transmission to the participating countries which requested it;

(c) Undertaking studies on selected products which lent themselves to the multilateral approach;

(d) Compilation and consolidation of all the request lists and circulating them to all participating countries;

(e) Collection of information, in co-operation with Governments, on non-tariff barriers.

(f) Provision of advisory services, upon request, to the participating countries for their work related to the preparations for the forthcoming negotiations.

(g) Preparation of any technical studies that might be required.

The Group observed that since the current negotiations were continuing, the sessions should only be

suspended and not concluded and that continuity of representation from countries was considered most essential.

The Group decided that the round of negotiations and consultations should be resumed, if possible, at the end of May or early in June 1974.

Fourth session (resumed): 22 July - 3 August 1974

The fourth session of the Trade Negotiations Group was resumed at Bangkok from 22 July to 3 August 1974 and was attended by representatives of Bangladesh, India, Indonesia, Iran, Khmer Republic, Laos, Pakistan, Philippines, Republic of Korea, Republic of Viet-Nam, Sri Lanka and Thailand.

During the resumed session, 68 bilateral negotiations were held and these included a number of second and third rounds of talks. In a number of cases, there were exchanges of specific request lists, while in others, offers of appreciable tariff reductions were made on specific commodities. Due note was taken of the special problems of land-locked and least developed countries and a suggestion was made that the problems of such countries should be taken specially into account in the negotiations.

In general, the bilateral talks revealed the major interest of certain participating countries in finding expanded access for some of their traditional export items. It was felt that tariff cuts and reductions in non-tariff barriers would bring about a substantial improvement in the volume of trade between participating countries but that supplementary action would need to be taken to improve marketing and distributing systems and arrangements between State trading organizations by way of bulk purchases and long-term agreements, so that the desired increase in trade could be achieved.

On the basis of the progress made and the results of the negotiations and discussions held in the course of the current part of the fourth session, the following time-table and interim measures were suggested:

(a) The participating countries were to furnish the secretariat with their specific request lists, revised where necessary, by not later than 1 October 1974. These lists would be forwarded by the secretariat to the other participating countries simultaneously. Membership of the Trade Negotiations Group for the first stage of the negotiations would comprise those participating countries which had furnished their specific request lists to the secretariat by the date specified above. If, due to unforeseeable circumstances, a participating country was unable to meet the given deadline, the

Chairman would be authorized to extend the deadline, but in no case would it be extended beyond 15 November 1974. To facilitate adherence to this schedule, the participating countries should be supplied by 31 August 1974 with such information as other participating countries the secretariat might have agreed to supply during the bilateral consultations.

(b) Every effort would be made by those participating countries to communicate to the secretariat, not later than 15 November 1974, their provisional offers of concessions on request lists furnished up to 1 October 1974. In respect of the request lists received after 1 October but by 15 November 1974, the deadline for communicating provisional offers of concessions might be extended up to 31 January 1975. The secretariat would promptly forward each list to the other participating countries which also submitted their provisional offer lists.

(c) The secretariat would convene a meeting of participating countries in Bangkok, preferably immediately after the eighteenth session of the Committee on Trade, scheduled to be held from 2 to 9 December 1974. That meeting, which would be of about two to three days' duration, would concern itself with the future plan of action. It would, *inter alia*, consider: (i) the Chairman's progress report on request and offer lists; (ii) the outline of a protocol? and (iii) the date by which the protocol had to be signed.

(d) The participating countries expected the first stage of the negotiations to be completed as early as possible, preferably before the end of April 1975, and the protocol to be signed as soon as possible thereafter.

(e) The participants took note of the secretariat proposals for a standstill agreement and agreed to communicate their Governments' reactions to that proposal in due course.

Sixty eight exchanges of requests for tariff concessions on selected products were made during the bilateral talks. A total of 461 products, ranging from raw materials (both agricultural and industrial) to finished products, were involved. Classification of the types of products requested for tariff concessions by the countries revealed that 31 per cent belonged to manufactured goods classified chiefly by material (leather, rubber, wood, paper, textile yarn, non-metallic minerals, iron and steel, non-ferrous metals); 16 per cent belonged to machinery and transport goods; 16 per cent to crude materials (inedible) except fuel (such as hides and skins, oil seeds, nuts and kernels, crude, rubber, wood, lumber, pulp and waste, textile fibres, crude fertilizers, metalliferous ores, metal scrap and crude animal and vegetable materials); 16 per cent belonged

to food and live animals, 10 per cent to chemicals; and 7 per cent to miscellaneous manufactured articles such as sanitary wares, tableware, furniture, travel goods, clothing, footwear, scientific and controlling instruments, optical goods and other manufactured articles not elsewhere specified; 3 per cent fell under the category of beverages and tobacco, and 1 per cent under animal and vegetable oils and fats. No product belonging to the category of mineral fuels, lubricants and related materials was requested for tariff reduction by any country.

The number of requested products per country varied from country to country. The requests made by each country were still subject to change in the final round of negotiations. However, the types of products appearing in their requests more or less indicated the kind of export products of major interest to the countries concerned.

Review session: 7 December 1974

The review session of the Trade Negotiations Group was held at Bangkok on 7 December 1974. It was attended by representatives of the following countries: Bangladesh, India, Indonesia, Khmer Republic, Laos, Malaysia, Pakistan, Republic of Korea, Republic of Viet-Nam, Sri Lanka and Thailand.

The Chairman submitted a progress report summarizing the activities of the Group since the previous session. It covered the following main areas:

1. Submission of final request lists
2. Submission of offer lists
3. Identification of tariff and non-tariff barriers
4. Extension of the secretariat's commodity studies
5. Studies on items of import interest to participating countries
6. Technical and institutional advisory services and
7. Joint ventures and industrial complementation.

The secretariat submitted to the Group a document entitled "Outline of the protocol", to obtain *ad referendum* views of the representatives on major issues which would need to be incorporated in the draft protocol. The following issues were discussed:

(a) *Type of instrument*. It was generally agreed that it should be called the First Protocol on Trade Nego-

tiations among Developing Members Countries of ESCAP.

(b) *Most-favoured-nation principle*. It was considered necessary that the draft protocol should give alternative most-favoured-nation clauses - at least one limited to the products under negotiation and another option to include not only the products under negotiation but also some other concessions negotiated outside the Group.

(c) *Special treatment for least developed countries*. It was considered that special treatment to those countries might be accorded in the negotiations, particularly by requiring less than full reciprocity in the exchange of concessions, on a case-by-case basis. However, it was felt that specific references to the special treatment for general application might complicate the consideration and adoption of the first protocol, which would form the basis of further negotiations and special treatment. It was therefore agreed that the matter be included in the subsequent protocols.

(d) *Other areas of co-operation*. It was generally agreed that the draft protocol should be sufficiently flexible and broad to allow for future negotiations on various aspects, including subregional and bilateral arrangements, joint ventures and industrial complementarity agreements.

(e) *Previous commitments*. Some delegations were of the view that existing trading arrangements entered into with third countries should be exempted from the most-favoured-nation treatment.

(f) *Organs of the protocol*. Some delegates were of the opinion that a special committee of the Group, composed of members signatories of the first protocol, should be the authority charged with administering and supervising the operations of the first protocol, and that the special committee should meet at least every time the Group met.

(g) *Duration*. It was generally felt that the protocol should not have any specific duration, but would be subject to a major review after three years of operation.

(h) *Other issues*. A suggestion was made that a provision for settlement and arbitration be added to the draft protocol. Concerning other issues in the secretariat outline, it was generally felt that the outline already provided a reasonable basis for further elaboration.

The secretariat was requested to submit the first draft of the protocol as soon as possible, so as to give the participating Governments ample time to examine it carefully before the next round of negotiations.

Fifth session: 1-31 July 1975

The fifth session of the Trade Negotiations Group was held at Bangkok from 1 to 31 July 1975 attended by the representatives of the following countries: Bangladesh, India, Laos, Pakistan, Philippines, Republic of Korea, Sri Lanka and Thailand.

During the session, 106 bilateral negotiations were held which included a number of second and third rounds of talks. In some cases, additional rounds of talks were held. After exchanges of specific offers of tariff reduction on specific commodities, those offers were finalized during the last round of negotiations. Unilateral offers were made to a land-locked and least developed country.

A total of 146 products were involved of which 7 products carried specific duties and 139 products carried *ad valorem* duties. The average reduction of the specific duties was 33 per cent while the average reduction of the *ad valorem* duties was 31 per cent, from an average of 45 per cent to 31 per cent.

The classification of the 146 products in accordance with the Standard International Trade Classification of the United Nations revealed that 38 per cent of products belonged to manufactured goods classified chiefly by materials, 18 per cent to machinery and transport equipment, 16 per cent to food and live animals, 12 per cent to chemicals, 7 per cent to inedible crude material except fuel, 5 per cent to miscellaneous manufactured articles, 3 per cent to beverages and tobacco, 1 per cent to animal and vegetable oil and fat, and 0 per cent to mineral fuel.

The special concessions given to Laos, being the least developed country, by other signatory countries involved 27 products, of which 29 per cent were manufactured goods classified chiefly by materials, 26 per cent inedible crude materials except fuel, 26 per cent food and live animals, 11 per cent beverages and tobacco, 4 per cent chemicals, and 4 per cent miscellaneous manufactured articles. The tariffs for 27 products averaging 59 per cent were unilaterally reduced to an average of 21 per cent, or roughly a reduction of 36 per cent.

The delegations of Bangladesh, India, Laos, Philippines, Republic of Korea, Sri Lanka and Thailand signed the Agreement on trade negotiations among developing member countries of ESCAP on 31 July 1975 otherwise known as the Bangkok Agreement.

At the closing plenary meeting the Executive Secretary pointed out the importance of the Agreement. He mentioned the diversity and immensity of the region, its cultures and its political and economic systems. He was confident, however, that the implementation of the Agreement would usher in the beginning of a new era in trade and development in the region. He also pointed out that the signing of the Agreement demonstrated the determination of the developing Asian countries to seek mutual benefits from trade expansion through regional co-operation. That modest beginning represented a concrete contribution towards the objectives set forth in the new international economic order approved by the United Nations.

The leaders of the delegations of Bangladesh, India, Laos, Philippines, Republic of Korea, Sri Lanka and Thailand expressed their satisfaction with the progress that had been made with the signing of the Agreement and looked forward to the expansion of trade among the countries concerned.

The principal features of the Bangkok Agreement are given below:

Objectives

The objectives of the Bangkok Agreement as embodied in the preamble and first chapter, on general provisions of the Agreement, could be summed up as follows:

1. The attainment of the objectives of "collective self-reliance and growing co-operation among developing countries" called for by the new international economic order, the International Development Strategy for the Second United Nations Development Decade and the concerted declaration of the second session of UNCTAD.

2. The attainment of the objectives of the GATT, part IV on trade and development, and the spirit of evolution of the international economic community.

3. The promotion of economic development of the Asian developing countries through a continuous process of trade liberalization and trade expansion among the developing countries of ESCAP.

4. The establishment of an institutional multi-lateral framework for regional trade liberalization, economic and industrial co-operation.

5. The outward-looking objective of securing the interests of all developing countries in general, and the open-endedness of the Agreement for accession of any developing country member of ESCAP.

6. The promotion of international trade liberalization through the gradual liberalization of national as well as regional tariffs and trade barriers.

Principles

1. Non-discrimination in trade policies and practices among Asian developing countries through the unconditional extension of most-favoured-nation treatment to all participants in the Bangkok Agreement, whether they were members of GATT or not (article 10).

2. The practical adoption of the principle of extending special concessions in favour of the least developed among the developing countries of Asia (articles 5 and 11(c)). These special concessions were offered to one signatory state, as it appears from annex I to the Agreement, on a non-multilateral basis and without insisting on full reciprocity.

3. The promotion of continuous negotiations among the Asian developing countries on all the technical and institutional aspects of the Asian Trade Expansion Programme.

4. The reaffirmation of the principle of consultation, for the safeguarding and promotion of the interests of all participants, throughout the implementation of the Agreement.

5. The compatibility with subregional and inter-regional efforts for trade liberalization and economic co-operation among developing countries (article 11).

Instruments

To implement the objectives on Asian trade expansion and adhering to the main principles of the Bangkok Agreement, a number of instruments were contained in the Agreement, including the following:

1. The establishment of national lists of negotiating tariff concessions and providing for the gradual relaxation of quantitative and other non-tariff restrictions to trade which may affect the importation of products covered by these national lists of concessions.

2. The provision for a regional standstill on the trade restrictive measures among member countries on present as well as future products of export interest to regional trade.

3. The extension of most-favoured-nation treatment among all participants.

4. The provision for regional co-operation on customs administration, simplification and standardization of customs procedure.

5. The provision for application of common tariff nomenclature for all participants.

6. The establishment of an appropriate anti-dumping machinery to offset or prevent dumping and other unfair trade practices.

7. The establishment of a programme of action to accelerate the process of negotiations, including additional techniques and specific targets for the negotiations.

8. The encouragement of sectoral and/or commodities preferences among two or more members of the Agreement, as well as with other ESCAP countries not members of the Agreement.

9. For the purpose of accession to the Agreement all developing countries members of ESCAP can be eligible for acceding to the Agreement.

10. The establishment of bilateral and multilateral procedures and machinery for consultations required to solve disputes arising from the implementation of the Agreement.

11. The establishment of a permanent machinery in the form of a standing committee for the supervision and implementation of the Asian Trade Expansion Programme.

Sixth session: 11-14 November 1975

The sixth session of the Trade Negotiations Group was held at Bangkok from 11 to 14 November 1975.

The session was attended by representatives of Bangladesh, India, Laos, Pakistan, Philippines, Republic of Korea, Singapore,* Sri Lanka and Thailand.

Representatives of the Signatory countries to the Bangkok Agreement reported on the status of ratification in their respective countries. Some delegations indicated that, owing to national procedures and requirements, the deadline provided for in the Agreement might not be met. It was noted, however, that every effort was being made to expedite the process.

In the light of the discussions during the sixth session of the Group and the comments made on the future

* Singapore wished to participate as an observer.

negotiation techniques relating to tariff and non-tariff barriers, commodities and joint ventures and industrial complementation, the following programme of activities was approved for implementation prior to the seventh session of the Group:

1. *Future negotiation techniques for tariff reduction*

(a) Comments and suggestions from individual TNG countries on various negotiating techniques submitted at the sixth session, including any alternative techniques, would be transmitted to the secretariat by 31 January 1976.

(b) The secretariat studies on techniques for future negotiations for the reduction of tariff barriers would be intensified and extended to include all possible negotiating techniques on the basis of the comments of all Governments, and would be submitted to the seventh session of the Group.

(c) Product lists of negotiable interest would be established by individual Governments. To assist Governments in this preparation, the secretariat would provide each TNG country with product lists of export interest to it by 31 December 1975.

(d) Comparative tariff and trade data on negotiable products would be up-dated and extended by the secretariat to cover further negotiable products.

(e) Technical assistance required from the secretariat would be made available upon request to interested countries for considering the negotiating techniques or establishing lists of products of negotiable interest.

2. *Future negotiation techniques on non-tariff barriers*

(a) First priority would be given to the identification, consultations and negotiations on non-tariff barriers affecting the products on the national lists of concessions in annex I of the Bangkok Agreement.

(b) By 31 December 1975, the secretariat would transmit to the participating countries, for verification and confirmation, the specific non-tariff barriers applied to products in annex I of the Bangkok Agreement.

(c) Governments' comments on data supplied in paragraph (a) above should be transmitted to the secretariat by 31 January 1976 and include the following:

- (i) Description of, and reasons for, the non-tariff barriers applied to each item; and

- (ii) Any action contemplated for the reduction, relaxation or elimination of these non-tariff measures.

(d) Upon the entry into force of the Agreement, the secretariat would prepare for the first meeting of the Standing Committee to consider, *inter alia*, joint action in the light of the above information and a time-bound programme for the gradual relaxation of quantitative and other non-tariff restrictions affecting the products covered by the national lists of concessions in annex I of the Bangkok Agreement.

(e) The secretariat would continue to identify and analyse regional non-tariff barriers applied to products of trade interest to the participating countries for future rounds of trade negotiations.

3. *Future negotiation techniques on industry and joint ventures*

(a) Before 31 January 1976, the Governments would transmit to the secretariat any comments which they might have on the proposals contained in document TRADE/TNG(6)/5, including the choice of industries and the suggested programme for sectoral meetings.

(b) The secretariat would formulate a draft proposal containing objectives, operation and institutional aspects of industrial complementarity agreements for consideration by the Group.

(c) On the basis of the proposal contained in the document mentioned in paragraph (a) and comments thereon received from Governments, the secretariat would prepare a programme of sectoral meetings of manufactures in the industrial sectors selected.

4. *Future negotiation techniques on commodities*

(a) By 31 January 1976, Governments' comments or observations on, as well as additions to, the list of commodities recommended in document TRADE/TNG(6)/6 would be transmitted to the secretariat, on the basis of which the secretariat would proceed to undertake studies on the appropriate areas and scope for regional joint action in respect of each commodity.

(b) At its seventh session the Group was expected to examine the proposals made by the secretariat, with a view to adopting a timebound programme for negotiations on the selected commodities.

Annex I

LIST OF STUDIES PREPARED FOR THE TRADE NEGOTIATIONS GROUP

1. TRADE/TNG/(2)/3 A study of exports of 183 products of the developing countries of the ECAFE region.
2. TRADE/TNG/(2)/3 A study of country wise exports of products to the region.
3. TRADE/TNG/(2)/4 A study of import of 64 products in which countries have significant import opportunities.
4. TRADE/TNG(2)/6 A study on trade regimes in developing countries of the ECAFE region for 19 products.
5. TRADE/TNG/(2)/7 Possibilities for co-operation in commodity trade, industrial joint ventures and other areas relevant to trade expansion.
6. TRADE/TNG/(3)/3 State trading in developing countries in the ECAFE region.
7. TRADE/TNG/(4)/CR.1 Trade negotiations among developing ECAFE countries: tariffs, and import information on negotiable products.
8. TRADE/TNG/(4)/CR.2 Standard and/or statutory tariffs for some selected products in some developing ECAFE countries.
9. TRADE/TNG/(4)/CR.3 Relationship and major differences between the GATT Multilateral Trade Negotiations and the Asian Trade Expansion Programme.
10. Tariffs and import information on negotiable products:
 - (i) TRADE/TNG/(4)/CR.1/Rev.1 Tariff and import information on seventy-eight products in nine countries, viz. Bangladesh, India, Malaysia, Pakistan, Papua New Guinea, the Philippines, the Republic of Korea, Sri Lanka and Thailand;
 - (ii) TRADE/TNG/(4)/CR.1/Rev.1/Add.1 Tariff and import information on seventy-eight products in three countries, viz. Khmer Republic, Laos and the Republic of Viet-Nam;
 - (iii) TRADE/TNG/(4)/CR.1/Rev.1/Add.2 Tariff and import information on seventy-eight products in Indonesia;
 - (iv) TRADE/TNG/(4)/CR.1/Rev.1/Add.3 Tariff and import information on an additional forty-six products in thirteen countries.
11. TRADE/TNG/(4-resumed)/2 Consideration of selected products for multilateral approach.
12. TRADE/TNG/(4)/CR.4 Summary of tariff information on negotiable products in participating developing countries.
13. TRADE/TNG/(4)/CR.5 Identification of tariff and non-tariff barriers.
14. TRADE/TNG/(4)/CR.6 Standstill measures for regional trade co-operation.
15. TRADE/TNG/(4)/CR.7 State training in developing countries in the ECAFE region.

16. An outline of the first protocol on tariff concessions.
17. A note on the drawing up of offer lists of concessions.
18. TRADE/TNG(5)/2 Trade negotiations among developing ESCAP countries; tariff and import information on 53 negotiable products.
19. TRADE/TNG(5)/3 Import information and major suppliers for 39 products.
20. TRADE/TNG(5)/4 Identification of non-tariff barriers in the developing countries of ESCAP region.
21. TRADE/TNG(5)/5 Non-tariff barriers for 333 products for which firm requests have been made by eight countries.
22. TRADE/TNG(5)/7 Import information on 118 negotiable products.
23. *Commodity Studies:*
- (i) Cotton fabrics, woven, other than grey (SITC : 652.2)
 - (ii) Rubber tyres and tubes for vehicles and aircraft (SITC : 629.1)
 - (iii) Sugar (SITC : 061.1)
 - (iv) Problems and prospects of jute and allied fibres and their manufactures
 - (v) Prospect of regional trade in fertilizers for developing ECAFE countries
 - (vi) Prospect of regional trade in tea
 - (vii) Prospect of regional trade in cement
 - (viii) Prospect of regional trade in pepper
 - (ix) Prospect of regional trade in maize
 - (x) TRADE/TNG(5)/Com.1: Marine Products
 - (xi) TRADE/TNG(5)/Com.2: Tea (revised)
 - (xii) TRADE/TNG(5)/Com.3: Palm Oil
 - (xiii) TRADE/TNG(5)/Com.4: Tobacco
 - (xiv) TRADE/TNG(5)/Com.5: Cement (Revised)
 - (xv) TRADE/TNG(5)/Com.6: Plywood
 - (xvi) TRADE/TNG(5)/Com.7: Paper and Paperboard
 - (xvii) TRADE/TNG(5)/Com.8: Raw Silk
 - (xviii) TRADE/TNG(5)/Com.9: Raw Cotton
24. *Country Notes - Information on Economic and Commercial Policy*
- (i) Indonesia
 - (ii) Republic of Korea
 - (iii) Laos
 - (vi) Malaysia
 - (v) Papua New Guinea
 - (vi) Pakistan
 - (vii) Philippines
 - (viii) Sri Lanka
 - (ix) Thailand
 - (x) Republic of Viet-Nam

Annex II

GROUND RULES FOR NEGOTIATIONS

The negotiations for the Asian Trade Expansion Programme, aimed at the expansion of trade among the developing countries of the ECAFE region are to be conducted within the framework of an Asian Trade Expansion Programme adopted by the Intergovernmental Committee on Trade Expansion Programme held in November 1971, under the following rules:

1. The negotiations will be conducted by and between the developing countries included in articles III and IV of the terms of reference of the Economic Commission for Asia and the Far East.^a
2. The negotiated concessions and commitments will apply on a preferential basis, multilaterally and on the principle of mutual benefit, to those developing countries of the ECAFE region, as defined in rule 1 and subject to the provisions of rule 7, which participate in the negotiations and exchange concessions. The principle of mutual benefit will take into account the present level of trade and future development and trade needs of different negotiating partners.
3. The negotiations on trade expansion will:
 - (i) Take the form of an exchange of concessions on a preferential basis on tariff barriers, including the introduction of preferential tariff quotas for participants in the scheme; and
 - (ii) In regard to non-tariff barriers, take the form, *inter alia*, of quantitative import restrictions being reduced on a preferential basis, making available a certain portion of the import quota only to the participants in this scheme, etc; or
 - (iii) Include other forms of commitments as may be considered necessary.
4. The scope and duration of concessions and arrangements shall be decided by the participating countries in the course of the negotiations.
5. The participating countries may negotiate preferential arrangements, including long-term arrangements in the fields of state trading,

government, central and bulk purchases and in other such areas as may contribute towards the objective set in the Asian Trade Expansion Programme.

6. The participating countries may initiate joint action on commodities. They may also initiate negotiations for co-operation in industrial and other fields as may contribute to the objectives set by the participating countries through joint ventures, with a view to entering into commitments envisaged under rule 2.
7. Participating countries will make the necessary provision for other countries, eligible for membership of the Trade Negotiations Group according to rule 1, to participate if they so desire.
8. The participating countries will keep under review the agreed arrangements, with a view to expanding the scope of concessions.

PROCEDURE FOR THE NEGOTIATIONS

1. The negotiations will be held on the basis of a product-by-product approach and other approaches devised as may be agreed upon by participating countries so as to cover all the measures referred to in the framework of an Asian Trade Expansion Programme.
2. Provisional lists for individual countries of products of export interest and import opportunities to and from participating countries will be prepared by the secretariat in co-operation with the participating countries. These products will form the basis for further elaboration and exchange of lists between countries in the nature of requests and offers.
3. The provisional request list to be exchanged will specify, as far as possible, what facilitation measures are sought from the country to which it is addressed. The provisional offer list should indicate, as far as possible, the facilitation measures offered.
4. The specific lists of requests and of offers made in response to a country's request will form the basis for negotiation and exchange of concessions between all participating countries within this programme.
5. The list of concessions granted by each participating country will be attached to an appropriate legal instrument giving effect to the scheme resulting from these negotiations.

^a The articles are reproduced in annex III.

Annex III

EXTRACT FROM THE TERMS OF REFERENCE OF THE ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

III. The members of the Commission shall consist of Afghanistan, Australia, Bhutan, Burma, China, France, India, Indonesia, Iran, Japan, the Khmer Republic, Korea, Laos, Malaysia, Mongolia, Nauru, Nepal, the Netherlands, New Zealand, Pakistan, the Philippines, Singapore, Sri Lanka, Thailand, Tonga, the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland, the United States

of America, Viet-Nam and Western Samoa, provided that any State in the area which may hereafter become a Member of the United Nations shall be thereupon admitted as a member of the Commission.

IV. The associate members shall include the British Solomon Islands, Brunei, Fiji, Hong Kong and Papua New Guinea.

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