

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 27 SEPTEMBER 1968

Prepared by the Secretariat

1. The informal group of developing countries in GATT met on 27 September 1968 under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. The meeting was attended by the representatives of Argentina, Brazil, Chile, Cuba, Ghana, India, Israel, Korea, Nigeria, Pakistan, Peru, Spain, Trinidad and Tobago, Tunisia, Turkey, United Arab Republic, Uruguay and Yugoslavia.
2. The Chairman explained that the present meeting had been convened to provide an opportunity to delegations to have an exchange of views on matters of interest to them which were to be taken up in various bodies of GATT in the next two months. Underlining the importance of the forthcoming session of the CONTRACTING PARTIES he suggested that the group, bearing in mind the recent discussions in UNCTAD, might usefully address itself to problems of developing countries with a view to arriving at a common stand which could be adopted by developing countries notably in the work of the following bodies: the Group on Residual Restrictions (3-4 October); Trade Negotiations Committee of Developing Countries (14-25 October); Committee on Trade in Industrial Products (17-18 October); the Special Group on Tropical Products (1 November); the Committee on Trade and Development (4-5 November); the Twenty-Fifth Session of the CONTRACTING PARTIES (12-29 November).

The Group on Residual Restrictions

3. Members of the informal group noted that the problem of residual restrictions was no longer a problem of concern only to those developing countries whose exports were actually affected but had become a problem of interest to all developing countries when viewed in relation to the proposed scheme of general preferences. A number of developed countries had maintained that products subject to import restrictions should not in principle be included in the scheme of preferences. In view of this added importance and urgency the developing countries should actively take part in the forthcoming meeting of the Group on Residual Restrictions and press for the setting of target dates for the elimination of the restrictions. It was also pointed out that one important developed country had not subscribed to Part IV and that it was important that procedures were evolved for dealing with the restrictions maintained by that country. It was suggested that at the forthcoming meeting of the Group developed countries should be put on notice that developing countries intended to institute intensive consultations on a product-by-product basis under paragraph 2 of Article XXXVII with the countries maintaining restrictions and that recourse might also be made to the provisions of Article XXIII and the special procedures adopted on 5 April 1966 for the invocation of those provisions by developing countries.

4. Speaking at the request of the Chairman, Mr. Mathur, Assistant Director-General, said that the problem of residual restrictions had been given high priority in the immediate work programme of the CONTRACTING PARTIES. All the developed countries maintaining restrictions had been advised that they should be prepared to supply information on the circumstances in which the continued maintenance of their restrictions was considered necessary, and the prospects for liberalization. In many cases the restrictions were stated to be covered by the Protocol of Provisional Application or protocols of accession which governed the obligations of countries in respect of certain provisions of GATT. Except where the legislation was claimed to be of a mandatory character, this did not, however, imply that the provisions of Part IV which required the developed countries to accord high priority to the removal of restrictions affecting products of particular export interest to developing countries, did not apply. On the other hand, many of these restrictions were on products in which developing countries did not at the present have a very large trading interest, and most of those restrictions were maintained as a part of agricultural protectionism which had to be dealt with in a broader context. The Group might find it advisable to focus attention on the products of actual interest to developing countries especially as the question of residual restrictions was likely to be taken up on a broader basis at the forthcoming session of the CONTRACTING PARTIES. The restrictions maintained by France would undoubtedly be encompassed in that general discussion.

5. As for the convening of the Group on Adjustment Assistance, it had been agreed at the last session of the Committee on Trade and Development that the question could be taken up if, after the meeting of the Group on Residual Restrictions, it were generally felt that a more detailed examination of the possibilities of using such measures to deal with the underlying problems would be useful.

6. At the conclusion of this discussion the Chairman requested the representatives of Pakistan and Peru, in consultation with other delegations, to formulate proposals reflecting the general concern of developing countries over the continued maintenance of the residual restrictions and their general intention as regards future action, for reference by developing countries taking part in the work of the Group on Residual Restrictions.

Committee on Trade in Industrial Products

7. In response to a question concerning the procedures to be followed in this Committee, Mr. Mathur, Assistant Director-General, explained that the forthcoming meeting would be primarily devoted to reviewing the notifications on non-tariff barriers circulated in COM.IND/4 and Add.1, and deciding on procedures for the verification, processing and further handling of the information received. The matter was evidently of considerable importance to developing countries but until now very few notifications of non-tariff barriers affecting their exports had been received. The group might wish to discuss how the developing countries might participate more actively in the exercise.

8. Members of the group considered that developing countries should try to take an active part in the discussions on non-tariff barriers applied by developed countries, most of which must have an adverse effect on their exports. Quantitative restrictions maintained by developing countries generally were necessitated by their balance-of-payments situation and had all been fully reported and explained in the Committee on Balance-of-Payments Import Restrictions. In so far as any non-tariff barriers applied by developing countries affected the export interests of other developing countries they might be dealt with in the current trade negotiations among developing countries. Consequently, it would appear both unnecessary and unwarranted for them to be reported to or discussed in the Industrial Committee. The informal group agreed that developing countries should make every effort to submit full information on non-tariff barriers maintained by developed countries affecting their exports for use by the Industrial Committee.

Next Meeting

The informal group agreed to resume discussion of the subjects mentioned by the Chairman in his opening statement at an early date.