

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 16 FEBRUARY 1970

Prepared by the Secretariat

1. A meeting of the Informal Group of Developing Countries in GATT was held on 16 February 1970 under the Chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. The meeting was attended by the representatives of Algeria, Argentina, Ceylon, Chile, Colombia, Cuba, Ghana, India, Indonesia, Israel, Ivory Coast, Korea, Malaysia, Nigeria, Pakistan, Peru, Spain, Trinidad and Tobago, Turkey, United Arab Republic, Uruguay, Yugoslavia and Zambia.

2. The Group continued the exchange of views commenced at its previous meeting on points on the agenda of the twenty-sixth session of particular interest to developing countries (L/3304/Rev.2). The discussion is summarized below.

Implementation of Part IV

3. The Group agreed that appropriate consultation procedures were necessary for securing more effective and systematic implementation of Part IV of the General Agreement. While most members felt that a panel of experts nominated in a personal capacity would be appropriate to deal with problems arising in connexion with cases of non-compliance with the commitments of Article XXXVII:1, some members favoured the establishment of a working party. It was pointed out that the discussion at the last session of the Committee on Trade and Development on the question of setting up consultative machinery had not been concluded, and that the discussion would be resumed at the next meeting of the Committee with a view to reaching agreement. Although the CONTRACTING PARTIES were not required to take a formal decision on the issue, the Group agreed that developing countries in their interventions at the session should support the setting up of appropriate consultative machinery leaving the question whether this should take the form of a panel of experts or a working party open at this stage.

4. In response to a question concerning criteria normally followed in appointing panels of experts Mr. M.G. Mathur, Assistant Director-General, drew attention of the Group to a Decision of the CONTRACTING PARTIES taken at their twenty-third session clarifying the procedures under Article XXIII of the General Agreement for dealing with some of the difficulties relating to the trade of developing countries. In that Decision it was stated that, upon receipt of the report, the CONTRACTING PARTIES or the Council shall forthwith appoint a panel of experts to examine the matter with a view to recommending appropriate solutions. It was also

envisaged that the members of the panel act in a personal capacity and that they would be appointed in consultation with, and with the approval of, the contracting parties concerned. (Cf. BISD, Fourteenth Supplement, page 19, paragraph 5.)

Specific tariff problems

5. The Group was generally of the view that while some of the tariff problems facing developing countries would disappear or at least be alleviated with the introduction of a general scheme of preferences, the attention of the CONTRACTING PARTIES should nevertheless be drawn to the work being undertaken by the Expert Group on Tariff Study with the object of ensuring that the specific proposals for study of tariffs on products of particular interest to developing countries would be followed up in the near future.

Non-tariff barriers

6. It was recalled that the Industrial as well as the Agriculture Committee had undertaken a considerable amount of preparatory work and had identified the elements which were exercising an inhibiting effect on the expansion of international trade in these sectors. In order to pursue the search for solutions they had established a number of sub-groups. The Group felt that developing countries should insist that their problems should be given special attention and be dealt with by the two Committees and their sub-groups on a priority basis. It was further pointed out that the "global" approach favoured by developed countries was not the best one from the point of view of developing countries. It was also urged that the developing countries should give their full support to the proposals submitted by Ceylon and Nigeria for the reduction and elimination of certain specified tariff and non-tariff barriers to tropical oilseeds and vegetable oils maintained by some developed countries.

7. A number of delegations suggested that the secretariat should help developing countries in identifying non-tariff barriers against their export trade and pinpoint those barriers which were of particular interest to them so that participation of developing countries in the work of the two Committees and their subsidiary bodies could be made sufficiently effective.

Draft Declaration of Intent

8. The Group agreed that developing countries should emphasize that acceptance of the Draft Declaration of Intent should not be deemed to give any developed contracting party the right to ignore its obligations under Article XXXVII:1 of the General Agreement. It was also suggested that the Draft Declaration of Intent should be applicable to both industrial and agricultural products. It was noted that the standstill should be intended for application by developed countries. Developing countries should continue to have the possibility of adopting appropriate import policy measures for balance-of-payments reasons as provided for under Article XVIII.

Trade negotiations among developing countries

9. A meeting of the Trade Negotiations Committee of Developing Countries was scheduled to take place immediately after the plenary meeting of the CONTRACTING PARTIES on 16 February.. The purpose of the meeting was to discuss rules and procedures for the conduct of the negotiations. It was agreed that every effort should be made to reach an agreement on rules and procedures so that a positive report could be submitted to the CONTRACTING PARTIES.

10. One representative, referring to item 7 in the Annex of the agenda for the twenty-sixth session of the CONTRACTING PARTIES, pointed out that the GATT had recently adopted a flexible attitude towards balance-of-payments and liquidity problems of certain developed countries who had resorted to measures inconsistent with the General Agreement. GATT should, in his view, also display the same flexibility and understanding towards the special problems of developing countries. In this context, procedures now operating under Article XVIII could be suitably adapted to deal with problems faced by developing countries under Article XXIV. The current consultations under Article XVIII were intended to promote collective action in solving the balance-of-payments difficulties of the consulting countries. He suggested that the twenty-sixth session might give consideration to the possibility of working out procedures for similar constructive consultations involving developing countries in connexion with attempts to promote economic integration under Article XXIV.

11. Speaking at the request of the Chairman, Mr. M.G. Mathur, Assistant Director-General, said that it should be possible for the Committee on Trade and Development to consider any specific proposals that might be made in this connexion. The secretariat for its part would be happy to co-operate with interested delegations in this regard.

12. In his summing up of the discussion the Chairman stressed the general point that developing countries in GATT should concentrate on defining their problems in specific terms and try to see how the machinery of GATT could best be put to use on such matters.