

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 26 FEBRUARY 1971

Prepared by the Secretariat

1. A meeting of the Informal Group of Developing Countries in GATT was held on 26 February 1971 under the chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. The meeting was attended by the representatives of Argentina, Brazil, Ceylon, Chile, Cuba, Democratic Republic of the Congo, Ghana, Greece, Israel, Republic of Korea, Malaysia, Pakistan, Trinidad and Tobago, Turkey, United Arab Republic, Uruguay and Yugoslavia.
2. The Chairman stated that the purpose of the meeting was to provide an opportunity for an exchange of views on the work of the Group of Three set up by the Committee on Trade and Development. He asked Mr. Besa (Chile), Chairman of the Group of Three, to inform the meeting how the work of his Group was proceeding.
3. Mr. Besa said that on the basis of a catalogue of measures applied against the trade of developing countries compiled from existing GATT documentation, the Group had attempted to obtain an idea of the overall situation and to determine specific areas where efforts to find effective solutions could be concentrated. The Group had observed that the main problems which would have to be faced were those in the field of agriculture. Barriers affecting industrial products, the cotton textile sector excepted, were relatively less important and many of these would eventually disappear when the generalized system of preferences was implemented.
4. In the areas of major concern the Group of Three were of the view that unless the developed countries were prepared to take certain political decisions by which they would agree to open their markets to products from developing countries and submit their economies to a certain degree of specialization, it was doubtful whether any progress could be made. As some amount of sacrifice on the part of developed countries would be required at least in the short term, these political decisions would of necessity have to be directed towards joint efforts among developed countries to ensure that they were not penalized individually by action taken to solve particular problems. Mr. Besa emphasized that while it did not appear that there was much hope of spectacular success in the near future, it was the feeling of the Group that there were some possibilities for the elimination of certain restrictions and that every effort should be made to exploit them.

5. With regard to the Group's time-table, Mr. Besa said that it was the intention to conclude the identification of problems and solutions during the course of the following week and to commence consultations with individual developed countries immediately thereafter. It was hoped that the Group would be able to draw up a list of points of concern to the developing countries for submission to the Committee on Trade and Development in time for the high level meeting which would take place in April.

6. Mr. Besa underlined the need for developing countries to co-operate and maintain continuous and informal contacts with the Group of Three in order to ensure that their individual concerns would receive adequate attention. He stressed that the Group of Three could not be completely familiar with all the details of the various problems outlined by developing countries in GATT documentation and it was therefore vitally important that delegations from developing countries should keep in close touch with the Group of Three and provide it with any necessary background information or further explanations which might be considered helpful.

7. Members thanked the Group of Three for the work which was being carried out by it. They promised their full support and co-operation in providing the Group with any information it might require. Some members stated that they had requested further details from their capitals on notifications made by them and would make this information available to the Group in due course.

8. Some members drew attention to the following proposals and points which the Group might wish to take into account in carrying out consultations with developed countries:

- (i) In general, developed countries should reaffirm their intention to honour their commitments under Part IV, including the standstill provisions of Article XXXVII.
- (ii) Developed countries should eliminate, reduce or suspend duties on products of interest to developing countries.
- (iii) Where quotas exist on products of interest to developing countries they should be eliminated; where this was not possible the quotas should be increased.
- (iv) Where embargoes were applied against the trade of developing countries the situation should be improved by at least establishing global quotas.
- (v) Products of interest to developing countries not covered in the generalized system of preferences should be given attention, and exports of products covered by the GSP should not be frustrated by non-tariff barriers.

- (vi) Proposals on tropical products made by Nigeria and Ceylon in COM.AG/18 and Corr.1 and COM.AG/19, and by India in paragraph 33 of SGTP/20 should be given urgent and positive consideration.
- (vii) Differential rates of taxes applied in developed countries on vegetable oils should be abolished.
- (viii) The EEC should stabilize at zero the duty suspensions on tea granted by the Community during the Kennedy Round.
- (ix) Developed countries should provide better market access for imports of natural and improved rubber from developing countries.
- (x) Efforts should be made by developed countries to provide more liberal market access to exports of textile products from individual developing countries.
- (xi) Consideration should be given to the simplification of GATT procedures which militated against the effective participation of developing countries in the work of GATT.

9. Some members, reiterating the importance of the standstill provisions of Part IV, expressed the hope that the Group would draw the attention of developed countries to the concern of developing countries at certain action taken by the former under Article XIX which was contrary to the spirit of that Article. It was suggested that on the basis of information provided by the secretariat the Group of Three might examine the question of whether there were instances where the standstill provisions of Part IV had not been observed by developed countries. Mr. M.G. Mathur, Assistant Director-General, said that a clear determination of an infringement of the standstill provisions of Part IV was a complex matter in practice. While the secretariat, being dependent on governments for information, might not have a full picture of the situation it was difficult to say that such instances as had come to notice represented without question specific and clear-cut cases of infringement. The secretariat would however look into the matter and would pass on any information it might obtain to the Group of Three.

10. Some members reiterated that the activities of the Group of Three should not be a substitute for work in other GATT bodies.