

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/965/Add.1
2 April 1959

Limited Distribution

RELATIONS WITH YUGOSLAVIA

Report by the Working Party

Addendum

Draft Decision prepared by the Executive Secretary on the basis of the discussions in the Working Party

The CONTRACTING PARTIES

CONSIDERING that the Government of Yugoslavia has stated that it desires to enjoy the benefits and advantages of the General Agreement on Tariffs and Trade and with this in view to undertake as soon as possible the obligations under the General Agreement and to seek accession pursuant to Article XXXIII;

CONSIDERING that the Government of Yugoslavia, however, is not at present in a position to assume all the obligations involved in accession to the General Agreement;

NOTING the desire of the Government of Yugoslavia to develop its existing policies so as to enable it increasingly to assume the full obligations of the General Agreement and thus to create a basis for the consideration of an application for accession under Article XXXIII; and

DESIRING meanwhile to establish closer trading relations with Yugoslavia on a reciprocal and mutually advantageous basis:

DECIDE

A. To open the following Declaration for signature by Yugoslavia and by contracting parties to the General Agreement.

DECLARATION ON RELATIONS BETWEEN CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE AND THE GOVERNMENT OF YUGOSLAVIA

I.

THE GOVERNMENT OF YUGOSLAVIA HEREBY DECLARES

1. [(a)] that it will take as a basis for its commercial relations with the signatories to this Declaration the objectives of the General Agreement and to the extent compatible with its current economic system will apply the provisions of the General Agreement;

- [(b) that it recognizes that the development of mutually advantageous trading relationships depends upon [the establishment of effective reciprocity of trading conditions and opportunities] [the achievement of an equitable balance of rights and obligations].
2. (a) that it will give sympathetic consideration to any representations which may be addressed to it by any other signatory to this Declaration concerning the implementation of the undertaking contained in paragraph 1 above and will be prepared to enter into consultations concerning such representations;
- (b) that, if such consultations do not result in a settlement satisfactory to such signatory, it agrees to the matter being referred to the CONTRACTING PARTIES for their opinion and advice;
- (c) that it will take part in any discussions which the CONTRACTING PARTIES might initiate when they are called upon by another signatory to give an opinion or advice on the grounds that bilateral consultations undertaken at the request of the said signatory had not resulted in a satisfactory settlement being reached;
3. that it will endeavour, in the development of arrangements affecting its commercial policies, to move progressively toward a position in which it can assume and give effect to the full obligations of the General Agreement and will be prepared to review each year, in consultation with the CONTRACTING PARTIES, progress achieved in this direction.

II.

THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT, SIGNATORIES TO THE PRESENT DECLARATION, HEREBY DECLARE

1. (a) that they will take as a basis for their commercial relations with Yugoslavia the objectives of the General Agreement;
- (b) that, to the extent that Yugoslavia, pursuant to paragraph 1 of Part I above, effectively accords the treatment provided for in the General Agreement, they will accord equivalent treatment to Yugoslavia in order to achieve an equitable balance of rights and obligations;
2. (a) that they will give sympathetic consideration to any representations which may be addressed to them by the Government of Yugoslavia concerning the implementation of the undertaking contained in paragraph 1 above and will be prepared to enter into consultations concerning such representations;
- (b) that, if such consultations do not result in a settlement satisfactory to Yugoslavia, they agree to the matter being referred to the CONTRACTING PARTIES for their opinion and advice;

(c) that they will take part in any discussions which the CONTRACTING PARTIES might initiate when called upon by Yugoslavia to give an opinion or advice on the grounds that bilateral consultations undertaken at the request of Yugoslavia had not resulted in a satisfactory settlement being reached;

3. that they will request the CONTRACTING PARTIES

(a) to take note of this Declaration;

(b) to invite the Government of Yugoslavia to take part in the work of the CONTRACTING PARTIES;

(c) to undertake the functions set out in paragraphs 2(b) and (c) of Part I and in paragraphs 2(b) and (c) above; and

(d) to review with Yugoslavia each year the matters referred to in paragraph 3 of Part I.

III.

This Declaration shall be opened for signature by Yugoslavia and by contracting parties to the General Agreement when it has been approved by the CONTRACTING PARTIES by a two-thirds majority. This Declaration shall enter into force when it has been signed by Yugoslavia and by a number of contracting parties representing no less than two-thirds of the governments which are at present parties to the General Agreement and the territories of which account for $\left[\quad \right]$ per cent of the total external trade of the territories of the contracting parties. In the course of the third annual review, pursuant to paragraph 3(d) of Part II, the CONTRACTING PARTIES shall consider whether the arrangement shall be terminated, modified or continued.

IV.

The Government of Yugoslavia or any other government signatory to this Declaration shall be free to withdraw from this arrangement subject to sixty days written notice being given to the Executive Secretary of the CONTRACTING PARTIES to the General Agreement. If Yugoslavia should withdraw from this arrangement, the Declaration shall lapse and any arrangements made by the CONTRACTING PARTIES shall cease to be valid. If a contracting party which is a signatory to this present Declaration should withdraw from this arrangement, the sole effect of such withdrawal shall be to terminate the undertakings entered into by such signatory in respect of Yugoslavia and to terminate the undertakings entered into by Yugoslavia in respect of such signatory under this Declaration.

V.

This Declaration shall be deposited with the Executive Secretary Of the CONTRACTING PARTIES to the General Agreement.

The Executive Secretary of the CONTRACTING PARTIES to the General Agreement shall promptly furnish a certified copy of this Declaration, and a notification of each acceptance thereto, to each contracting party to the General Agreement.

This Declaration shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva, this day of , one thousand nine hundred and , in a single copy, in the English and French languages, both texts authentic.

× × × × ×

B. From the date of entry into force of the Declaration, to invite the Government of Yugoslavia to participate¹ in sessions of the CONTRACTING PARTIES and of subsidiary bodies established by the CONTRACTING PARTIES; and

C. To accept such functions as are necessary for the operation of the Declaration after it has entered into force.

This Decision shall take effect when approved by no less than two-thirds of the contracting parties and shall continue in effect subject to the provisions of Parts III and IV of the Declaration.

¹ On previous similar occasions the CONTRACTING PARTIES have not specified in the Declaration that participation did not include voting rights, but at the time of taking the relevant decision they noted that in the normal course of business the fact that it was not possible, from a strictly legal point of view, to give full voting rights was not very important since the CONTRACTING PARTIES did not usually proceed to a formal vote in reaching decisions; generally the Chairman took the sense of the meeting and the country concerned would have the same opportunity as contracting parties to express its opinion. On this occasion the CONTRACTING PARTIES may wish to adopt a similar procedure.

