

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Fifteenth Session

REPORT OF THE COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS ON
ARRANGEMENTS AND PROCEDURES FOR CONSULTATIONS ON BALANCE-OF-PAYMENTS
RESTRICTIONS IN 1960

1. Under Article XII:4(b) and Article XVIII:12(b) the CONTRACTING PARTIES are required to carry out in 1960 consultations with all contracting parties which continue to apply import restrictions for balance-of-payments reasons under the revised text of those two Articles. The Committee on Balance-of-Payments Restrictions was instructed by the CONTRACTING PARTIES to consider and recommend arrangements and procedures for carrying out these consultations. To this end, the Committee reviewed in the first instance the arrangements and procedures which had been adopted at the thirteenth session for the conduct of such consultations in 1959 and which were set out in BISD, Seventh Supplement, pages 90-98. It found that these arrangements and procedures, generally speaking, had been effective and functioned satisfactorily. It therefore recommends that they be continued for the 1960 consultations. The necessary modifications and supplementary considerations are noted below.

Documentation for the Consultations

2. The Committee considers that the provisions that have been made for supplying the Committee with background documentation should be continued. It emphasizes once again, however, that the effectiveness of these arrangements depends greatly on the co-operation of the governments concerned, and recommends that the CONTRACTING PARTIES should urge all contracting parties applying import controls and restrictions to keep the secretariat informed of any changes in their control systems and transmit to it all relevant documentation (such as new laws and decrees, regulations, programmes, policy statements, public notices, licensing instructions, etc.) which would enable the secretariat to prepare the background documents for the consultations. The secretariat should be instructed to renew and strengthen the arrangements for facilitating the transmission by contracting parties of such information, including the arrangement that each contracting party applying restrictions designates an official for the purpose of keeping contact with the secretariat.

Time Schedule for the Consultations

3. At present, the following contracting parties state that they maintain import restrictions under Article XII or Article XVIII:B to safeguard their balance of payments. On the assumption that there is no change in the position, these countries will be required to enter into consultations with the CONTRACTING PARTIES in 1960.

Under Article XII:4(b)

* Australia
Austria
Denmark
Finland
France
Japan
* New Zealand
Norway
* Rhodesia/Nyasaland
Sweden
South Africa
* United Kingdom

Under Article XVIII:12(b)

Burma
Ceylon
* Federation of Malaya
* Ghana
Greece
India
Indonesia
Pakistan
Turkey

(Note: the countries marked with an asterisk are to consult also under Article XIV:1(g))

4. In addition, the Governments of Brazil, Chile and Uruguay also apply import restrictions to safeguard their balance of payments and monetary reserves. As they have not yet accepted the amended text of the Agreement resulting from the review in 1955, their restrictions are for the time being applied under the unrevised provisions of Article XII. Since the consultations programme to be carried out in 1960 should be of interest to all contracting parties and would be of greater value if it covered all contracting parties applying such restrictions, it may be expected that the three contracting parties mentioned above would wish to associate themselves fully with it. It will be recalled that these contracting parties have already willingly participated in the Review of Restrictions under the revised provisions of Articles XII:4(b) and XVIII:12(b). Accordingly, the Committee suggests that they should be given an opportunity to participate in the consultations programme and accordingly should be invited to consult under paragraph 4(b) of the unrevised text of Article XII.

5. The Committee is aware that the CONTRACTING PARTIES will be faced with a very heavy programme of work in the coming year and that the timing of the consultations will have to be decided in the light of the general work programme. It considers however that no effort should be spared to make adequate provisions and to allow sufficient time for the balance-of-payments consultations so that they could be carried out in the most fruitful and meaningful manner. This suggests that the consultation programme should be started early in the year. While it is clearly impracticable at this stage to draw up a definite time-table, the Committee believes that, taking account of the large number of consultations to be held, it will be necessary for them to be taken up in three or four groups. Insofar as possible, meetings of the Committee conducting the consultations should ordinarily be held at the same time as the regular sessions or other meetings of the CONTRACTING PARTIES so as to make it easier for governments to provide adequate representation. The holding of consultations during ordinary sessions, however, must take account of the heavy programme of the Committee which requires and

commands the full attention of Committee members. Staff and conference provisions should also be made accordingly. The CONTRACTING PARTIES at their present session should draw up a general time-table, but the precise date for each consultation should be left for determination by the Executive Secretary in consultation with the contracting party concerned, the International Monetary Fund and the Chairman of the Committee.

6. The Committee is of the opinion that its work is made more effective to the extent that Member countries are represented, as in the past, by delegations with experience in the field and with the maximum amount of continuity that is feasible.

Consultations with the International Monetary Fund

7. Pursuant to Article XV:2 the CONTRACTING PARTIES should consult with the International Monetary Fund in connexion with these consultations. The Executive Secretary should therefore be authorized to extend the necessary invitation to the Fund.