

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES
Twentieth Session

REPORT OF THE COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS
ON ARRANGEMENTS AND PROCEDURES FOR CONSULTATIONS IN 1963

1. The Committee has considered arrangements for carrying out consultations on balance-of-payments restrictions under Article XII:4(b) or Article XVIII:12(b) in 1963, and submits the following suggestions for approval by the CONTRACTING PARTIES.

Consultations to be held

2. At present seventeen contracting parties invoke Article XII or Article XVIII:B.
- (a) Among these, Denmark, Finland, Japan, New Zealand and South Africa invoke Article XII and are required to consult annually under paragraph 4(b) of that Article. In addition, consultations with Israel on its balance-of-payments restrictions have also been scheduled annually;
 - (b) another nine contracting parties, whose balance-of-payments restrictions are applied under Article XVIII:B, are required under Article XVIII:12(b) to consult only once in two years. Among these Ceylon, Chile, Ghana, Greece, India and Pakistan have held consultations under paragraph 12 this year. Only three contracting parties acting under Article XVIII:B, namely, Burma, Indonesia and Turkey, will need, therefore, to consult under Article XVIII:12(b) in 1963;
 - (c) Brazil and Uruguay, whose balance-of-payments restrictions are still governed by the provisions of the unrevised Article XII, have both had consultations on their restrictions in 1962. In accordance with established practice, the CONTRACTING PARTIES will presumably not wish to invite these Governments to consult in 1963 under the optional clause in paragraph 4(b) of the unrevised Article XII.
3. Assuming that there is no change in the number of countries applying balance-of-payments restrictions, nine consultations will have to be held in 1963, namely with Burma, Denmark, Finland, Indonesia, Israel, Japan, New Zealand, Turkey and South Africa.
4. The Committee was aware that (i) certain governments are seeking "provisional accession" to the Agreement; (ii) certain governments may become contracting parties in the coming year under Article XXVI:5(c); and (iii) the position of

certain governments having newly acceded to GATT in relation to the provisions of Article XII or XVIII:B has yet to be clarified. Consequently, there may be more Article XVIII:12(b) or XII:4(b) consultations to be held in 1963. The Committee proposes that the Executive Secretary be instructed to communicate and discuss with the governments concerned, as and when appropriate, as regards the timing of any such consultations which should be initiated.

Arrangements for consultations in 1963

5. The Committee recommends:

(i) that, apart from any meetings which may be required in relation to a substantial intensification of restrictions, provision be made for the Committee to hold two meetings during 1963, one in the spring and one in the autumn;

(ii) that these meetings be held immediately prior to a session of the CONTRACTING PARTIES or to a meeting of the Council in order to facilitate adequate representation by consulting countries and also to provide flexibility for the Committee in carrying out its programme of consultations;

(iii) that the time-table for the individual consultations be drawn up by the Executive Secretary in consultation with the International Monetary Fund and the contracting parties concerned;

(iv) that the procedures and arrangements noted in BISD, Seventh Supplement, pages 90-92 and 95-98, insofar as appropriate, be followed in the 1963 consultations.