

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Limited Distribution

CONTRACTING PARTIES
Special Session
30 September-2 October 1985

SUMMARY RECORD OF THE FIFTH MEETING

Held at the International Labour Office,
on Wednesday, 2 October 1985, at 5 p.m.

Chairman: Mr. F. Jaramillo (Colombia)

Subjects discussed: - General statements (continued)
- Adoption of Decision

General statements (continued)

Mr. SENE (Senegal) recalled that the July 1985 Summit Conference of the Organization of African Unity (OAU) had taken several major decisions dealing with international economic and trade matters, including: that trade in services should be given attention by African countries, that agricultural products should have an important place in GATT's work, and that preferential prices should be given to African agricultural products without prejudice to the beneficiaries of the Lomé Conventions. Given the numerous warnings about the dangers of rising protectionism for the multilateral trading system and the world economy, one was bound to recognize that this Special Session was necessary. Despite repeated appeals to put an end to protectionism, dislocation of the multilateral system was gaining momentum. The developing countries had not succeeded in having their positions taken into account nor in settling problems of trade policy among themselves. If a new round of negotiations were to be launched, it would have to promote North-South exchanges with a view to settling outstanding problems in accordance with stricter international disciplines. He noted that economic recovery was geographically unbalanced and, according to the GATT report on International Trade in 1984-1985, growth was slowing. He then evoked the serious economic situation of African countries as presented in that report. The developing contracting parties had often underlined the need to reinforce the multilateral trading system and restore its credibility. They had made clear at the 1982 Ministerial meeting that the Tokyo Round negotiations had not produced the results they wanted, especially for tropical products; these difficulties had been compounded by disagreement over safeguards. On the other hand, progress had been made in the context of the Lomé Conventions I and II and through the commodity price stabilization mechanisms, Stabex and Sysmin. Trade liberalization measures and improved domestic economic policies, coupled with increased capital investment, would lead to accelerated growth. Expanded and stabilized trade would promote both investment and employment. The need to reshape the international monetary and financial order was now apparent; Senegal believed in the linkage

between commercial, monetary and fiscal matters, the continuation of the 1982 Work Program, differential treatment for developing countries, and the examination of new areas in GATT. Trade in services, for example, could be included in the agenda of a new round, if the majority of the contracting parties so wanted. GATT could not stand apart from current trends if it was to maintain its credibility; it could only be a viable contractual framework to the extent that it took account of the priorities and interests of all contracting parties.

Adoption of Decision

The CHAIRMAN reported that he had been individually consulting various delegations in an effort to find a way of ending the Special Session with a decision which could be adopted by the CONTRACTING PARTIES. He proposed that the meeting be suspended so as to allow him to conclude his consultations.

Mr. HILL (Jamaica) said that in a number of restricted meetings in which his delegation had participated, he had expressed concern that such meetings were not a good way for the CONTRACTING PARTIES to work, since every contracting party, irrespective of its share in world trade, had equal rights and obligations under the General Agreement. Consequently, his delegation had welcomed the fact that the Chairman had convened an informal meeting of Heads of Delegations earlier in the day so that there could be transparency in the discussions. He had understood that at the present plenary meeting the Chairman would report on the result of his consultations so that the CONTRACTING PARTIES could take an appropriate decision. He suggested that the Chairman ask those delegations which were consulting to do so in the plenary meeting so that all contracting parties would be kept equally informed of those consultations.

The CHAIRMAN said that his report on the consultations had been very brief because he did not yet have any new element for discussion by contracting parties. He would do his utmost to ensure that the contracting parties could meet constructively after a recess, and he stressed that he did not intend to prolong the present meeting.

Mr. HILL (Jamaica) asked that the Chairman circulate and explain the draft text being discussed in the consultations.

The CHAIRMAN said that had already been done earlier in the day at the informal meeting of Heads of Delegations.

Mr. MURPHY (United States) shared the view that GATT's working methods should be constantly kept in mind by representatives, who should always try to observe business-like schedules. However, the issues being discussed at this Special Session were far from new, having been discussed since the July 1985 Council meeting and indeed since the 1982 Ministerial meeting. He felt that no delegation would be interested in

repeating the unproductive performance of the July Council meeting. The draft decision being examined in the present consultations clearly did not prejudice any contracting party's position. He suggested that a short recess would be helpful.

Mr. HILL (Jamaica) called on the Chairman to make a clear statement as to what stage the consultations had reached and what issues were causing difficulties.

The CHAIRMAN explained that a new draft text did not exist. He considered it unnecessary to reopen a discussion on the text already discussed in the informal meeting of Heads of Delegations because there had been no consensus on it. During a recess, he would continue consulting individually with delegations in an effort to submit a draft decision for adoption when the meeting resumed.

After a recess and following consultations among delegations, the CHAIRMAN read out and submitted for adoption by the CONTRACTING PARTIES the following text of the draft Decision which had resulted from his consultations following the discussion at the informal meeting of Heads of Delegations earlier in the day:

The CONTRACTING PARTIES meeting in Special Session agree that:

- a preparatory process on the proposed new round of multilateral trade negotiations has now been initiated;
- in order to further this process, a group of senior officials, open to all contracting parties, is established; it will meet for the first time on 14 October;
- this group will report to the CONTRACTING PARTIES at their November session;
- at that session of the CONTRACTING PARTIES, a decision will be taken on the establishment of a Preparatory Committee to prepare the basis for the launching of a new round.

It is understood that:

- the senior officials' group will examine the subject matter and modalities of the proposed negotiations in the light of the GATT Work Program and priorities for the 1980s as contained in the Ministerial Declaration of 1982 and the continuing consideration of changes in the trading environment so as to ensure that the GATT is responsive to these changes;

- the work of the senior officials' group will not prejudice the ongoing work of the GATT in terms of the 1982 Work Program, and will not prejudice the work on services in terms of the 1982 and 1984 decisions and agreed conclusions of the CONTRACTING PARTIES; the November session will also receive reports on this ongoing work.

The CONTRACTING PARTIES adopted the Decision (L/5876).

The CHAIRMAN thanked representatives for their helpful participation in the Special Session and said he hoped they agreed that GATT had now dealt with the matters before it in the style traditional to it.

The Special Session closed at 7.25 p.m.