

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 3 MAY 1967

Prepared by the Secretariat

1. The informal group of developing countries in GATT held its sixty-first meeting on 3 May 1967, under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. The meeting was attended by the representatives of Argentina, Brazil, Ceylon, Chile, Ghana, India, Indonesia, Israel, Ivory Coast, Jamaica, Korea, Malawi, Nigeria, Pakistan, Peru, Sierra Leone, Spain, Trinidad and Tobago, Tunisia, Turkey, United Arab Republic, Uruguay and Yugoslavia.
2. The Chairman explained that the meeting had been convened to discuss the current state of the Kennedy Round negotiations in preparation for the meeting of the Sub-Committee on Participation of Developing Countries to be held on 4 May. The United Kingdom Ambassador to GATT had indicated to him on the previous day that his delegation would wish to have an opportunity of discussing with members of the group the United Kingdom positive offers lists recently transmitted to contracting parties participating in the negotiations. In the belief that the group would welcome such a discussion Dr. Encinas had invited the United Kingdom delegation to attend the present meeting.
3. At the invitation of the Chairman, the head of the United Kingdom delegation made a statement in which he stressed the sympathy that his Government had for the developing countries and its desire to meet their interests in the negotiations. Now that the final phase of the negotiations was about to begin, quick decisions were called for on all sides and it was for this reason that the United Kingdom delegation had hastened to present its positive offers. The United Kingdom had found it necessary to amend the general level of its original offers in order to match those of her principal negotiating partners and in the process had found itself compelled to scale down or withdraw some of the offers of interest to developing countries. On the other hand, after taking account of the interest of developing countries in the Commonwealth, the United Kingdom had also been able to improve some of its offers of interest to non-Commonwealth developing countries, including duty reductions on cocoa, coffee, canned beef, lead, etc. Although the present offers list would, on the whole, appear to be less attractive than the original, they still provided very substantial benefit for developing countries. The United Kingdom delegation would be glad to meet in the next few days with delegations of developing countries bilaterally to discuss any products.

4. Members of the United Kingdom delegation supplemented the general statement of Sir Eugene Melville with details of the offers. As regards tropical products, it was stated that, while the original offers consisted of the elimination or substantial reduction of duties on a wide range of products conditional upon adequate joint action being taken by other developed countries, the present offers were no longer conditional although they covered a somewhat more limited range of products. The action ranged from the total elimination of duty to reductions by 50 per cent. Apart from cocoa and coffee, action had been possible also for certain tropical fruit and spices. Exclusion of certain tropical products from the new offers list had been found necessary mainly in order to meet principal suppliers' interests inside the Commonwealth. As regards deeper than linear cuts and advance implementation in pursuance of the Punta del Este Conclusions, out of a total of 237 items appearing on the special request list addressed to the United Kingdom early in April, fifty-one items already enjoyed duty-free treatment or were offered greater than 50 per cent cuts; and 120 items were the subject of substantial reductions. In spite of special problems in this sector, it had been found possible to offer substantial cuts for man-made fibre mixtures of cotton and man-made fibres, at rates comparing favourably with those offered by other developed countries; the value of these reductions to developing countries would become more important on account of the growing share of these products in international trade. It was the United Kingdom's intention to consider how best to meet the requests for advance implementation as soon as the final level of the tariff concession by the major negotiating countries became known.

5. In reply to questions, the United Kingdom delegation affirmed that, in the most unlikely event of the Kennedy Round not reaching a conclusion, the United Kingdom would continue to explore the possibility of meeting the desiderata of the developing countries. As regards the legal status of the bindings negotiated in the Kennedy Round in the event of the United Kingdom joining the European Economic Community, the United Kingdom would follow the normal procedures laid down in Article XXIV with respect to any adjustments of tariffs that might be involved. On the question of advance implementation, it should also be noted that concessions negotiated were in the normal course intended for implementation over a fairly lengthy period and that the first step would not be taken until several months hence. This should provide sufficient time to consider what might be done by way of advance implementation of agreed cuts.

6. Members of the group expressed appreciation for the initiative taken by the United Kingdom delegation in taking part in the present meeting. Certain representatives expressed concern at the reduced scope of the United Kingdom offers and mentioned various products excluded from these offers which were of direct interest to their countries. It was agreed that the delegations concerned should immediately enter into bilateral discussions with the United Kingdom concerning these specific products and that the Sub-Committee on Participation of Developing Countries to be held on the following day would provide another opportunity for the discussion of any problems of common interest to developing countries.

7. After the departure of the United Kingdom delegation, the representative of a developing country commented on the procedure followed in the convening of the present meeting and on the agenda of its work. He pointed out that many delegations, including his own, had no prior information of the invitation extended to the United Kingdom delegation to appear before the meeting and had thus been unable to take up points affecting their interests. The Chairman explained that, in present circumstances, while events followed in rapid succession, it was difficult always to follow the normal procedures and that in this particular case, the invitation to the United Kingdom delegation had been extended by him without prior consultation with any delegation. He would certainly attempt in future to give advance notice of the agenda and to contact all delegations in regard to proposed changes in the agenda wherever possible.

8. The Deputy Director-General, at the invitation of the Chairman, addressed the group on the present state of the Kennedy Round. He stated that, in accordance with the wishes expressed by the developing countries at the previous meeting he had convened the Sub-Committee on the Participation of Developing Countries for the morning of 4 May, which was the earliest practical date. The Sub-Committee had always been conceived to be an auxiliary machinery for resolving difficult problems encountered in the normal course of the negotiations, although recently it had been the practice to make use of the mechanism of ad hoc, informal meeting between developed and developing countries presided over by the Director-General. In his view the Sub-Committee, at its forthcoming meeting, should first take up the question of adequate information for the delegations of developing countries on the general evolution of the negotiations. For the last few months, the secretariat had exercised continuous pressure on developed countries in this regard and the urgency and importance of keeping all participants fully and promptly informed of new developments and of the current state of the offers had become even greater now that the negotiations had entered their final phase. In addition to the United Kingdom the United States had also recently submitted its positive offers list which was being circulated under the normal procedures. Such lists are still awaited from the other developed negotiating partners. In the view of the Deputy Director-General, developing countries, at the Sub-Committee meeting on 4 May, should strongly urge the developed countries concerned to present their positive lists as soon as possible.

9. The Deputy Director-General also explained the nature of the series of informal meetings initiated by the Director-General or himself. Participation in these groups was not limited to any particular set of countries but depended on the nature of the subject being discussed. A meeting of the major negotiating partners had been held at the end of the preceding week to discuss the procedures to be followed at the last stage of the negotiations. In view of the developing countries' interest in convening a ministerial meeting, the Chairmen of the informal group and the Committee on Trade and Development had been invited to participate in the discussion. At the Sub-Committee on Participation of Developing Countries meeting on 4 May, the developing countries would have another opportunity of expressing their views on the question of a ministerial meeting.

10. A member of the group expressed the hope that developed countries would, in the next few days, be in possession of more flexible instructions from their governments without which it would be futile for developing countries further to pursue their requests. The Deputy Director-General added that apart from the questions of procedures and improved access for the developing countries to the key negotiations, the developing countries might also wish to take the opportunity of the 4 May meeting to comment on those positive offers which had already been submitted.

11. In response to questions relating to the Cereals Agreement, the Deputy Director-General offered to meet with individual delegations which wished to be informed of the current state of the negotiations on cereals.

12. In summing up, the Chairman observed that it appeared to be the general view of the developing countries that at the meeting on 4 May they should (a) request those major negotiating countries which had not done so to submit as soon as possible their positive offers lists, (b) submit questions on those offers which had already been made available, and (c) to express their desire for a ministerial meeting to be held before the conclusion of the negotiations.