

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 3 JULY 1968

Prepared by the Secretariat

1. A meeting of the informal group of developing countries in GATT was held on 3 July 1968, under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. The meeting was attended by the representatives of Algeria, Argentina, Brazil, Chile, Cuba, Dominican Republic, India, Israel, Ivory Coast, Jamaica, Korea, Nigeria, Pakistan, Peru, Spain, Trinidad and Tobago, Turkey, United Arab Republic, Uruguay and Yugoslavia.
2. The Chairman informed the group that a series of consultations had been held among a number of contracting parties on the French trade measures to be discussed at the Council Meeting on 4 July 1968 (L/3035) and that he had been present at these consultations with a view to watching the interests of developing countries and informing them of developments. These consultations were aimed at finding the most suitable approach which could be adopted to deal with the situation and the general inclination seemed to be to ask the Council to appoint a Working Party to go into the problems and to report on solutions. If the decision of the Council was indeed to make use of the working party procedure the composition of the working party as well as its terms of reference would be discussed and agreed upon at the Council meeting. Speaking in the interest of developing countries Ambassador Encinas had declared at those consultations that these countries undoubtedly viewed the situation with as much concern as developed countries and that the developing countries should be adequately represented on any working party appointed.
3. The group noted from the information available that the French trade measures consisted in (a) the placing of limitations on imports of four groups of manufactured products, namely motor vehicles, domestic electrical appliances, iron and steel products and certain categories of textiles, and (b) a temporary subsidy of exports. At those consultations the French delegation had given the assurance that imports of textiles from developing countries covered by relevant bilateral agreements would not be affected by the import restrictions.

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4. In the course of the discussion the view was expressed that although the direct trade interests of developing countries might not be significantly affected by the import restrictions, the ramifications of the action could, nevertheless, be grave for them. Their exports would undoubtedly suffer from any deterioration in international trade relations; the situation could be disastrous if the French measures should lead to retaliatory action on the part of other developed contracting parties, or if they were taken to be a precedent and emulated by others. Apart from the legal question of compatibility with the provisions of GATT the measures taken by France should also be closely examined with a view to ascertaining whether their severity did not surpass what was warranted by the circumstances. As regards the "temporary compensation" granted to exporters, its effects would seem to be difficult to assess on the basis of the information available, and it was to be hoped that they would not be excessively damaging to the interests of developing countries exporting the products affected.

5. After an exchange of views in the group it was agreed that Ambassador Encinas, as Chairman of the informal group, should address the Council on 4 July to call attention to the general interest of the developing countries in the matter and to ensure that their interest was suitably reflected both in the terms of reference and in the membership of the working party to be appointed at the Council.