

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 24 OCTOBER 1968

Prepared by the Secretariat

1. The informal group of developing countries in GATT met again on 24 October 1968 to discuss matters of concern to developing countries to be taken up at the twenty-fifth session of the CONTRACTING PARTIES and other meetings in GATT in the weeks to follow. Present were the representatives of Brazil, Chile, Cuba, India, Israel, Nigeria, Pakistan, Peru, Spain, Trinidad and Tobago, Tunisia, Turkey, United Arab Republic, Uruguay and Yugoslavia.

2. The group addressed itself to the following matters:

- Election of a new Chairman
- Special Group on Trade in Tropical Products
- Committee on Trade and Development
- Trade negotiations among developing countries
- Anti-Dumping Code

Election of a new Chairman

3. The group was informed that the Chairman of the group, Ambassador Encinas del Pando of Peru, was no longer available to chair its meetings. Consultations were being held within the group with a view to developing procedures for the election of a new Chairman who would in future occupy the chair on a basis of rotation. The group unanimously elected H.E. Mr. H.C. Archibald, Ambassador of Trinidad and Tobago, as Chairman for the interim period.

4. The group expressed appreciation to the outgoing Chairman, Ambassador Encinas del Pando, for the understanding, diplomacy and tact with which he had steered the work of the group over the past two and a half years. Particular tribute was paid to his contribution to the improvement of relations between developing and developed countries. The memory of his untiring efforts and devotion in defending the hopes and aspirations of developing countries would always remain a source of inspiration.

5. Ambassador Encinas del Pando thanked members of the group for their invaluable support and co-operation in ensuring the smooth working of the group. He expressed the hope that the group would continue to work in the interest of all developing countries.

The Special Group on Trade and Tropical Products

6. In response to a question, Mr. M.G. Mathur, Assistant Director-General, said that the Chairman of the Special Group was engaged in consultations with the interested countries with a view to ascertaining the date on which the Group might

most fruitfully be convened and on the specific points which might be taken up by the Group. In order to provide more time for these consultations with the interested delegations, the Chairman had proposed that the meeting be postponed until a later date (GATT/AIR/684).

Committee on Trade and Development

7. The group discussed in particular two items on the agenda of the Committee on Trade and Development namely the application of the principle of non-reciprocity and residual import restrictions. In regard to the former, it was reported that some difficulties of interpretation had arisen between the developing and the developed countries especially when negotiations took place under Article XXVIII and in connexion with accession to the General Agreement. By virtue of the provisions of paragraph 8 of Article XXXVI developing countries were entitled not to accord concessions in trade negotiations which were not compatible with their development, trade and financial needs. There had been disagreement as to how the adequacy of action of developing countries in relation to these provisions could be determined. Members of the group felt that any judgment concerning those needs should rest with the developing country concerned.

8. In reply to a question on the circumstances which had led this matter to be placed on the agenda of the Committee and the manner in which it was envisaged to discuss the issue, Mr. M.G. Mathur, Assistant Director-General, said that the Committee on Trade and Development had been entrusted with the task of ensuring effective implementation of Part IV and to resolving any difficulties which might arise in its application. At the last session of the Committee, it was suggested by a number of developing countries that the interpretation of paragraph 8 of Article XXXVI should be discussed at the next session of the Committee. In so far as the qualitative interpretation of paragraph 8 of Article XXXVI was concerned, no further clarification could be provided. As to the quantitative problem of how much contribution developing countries could be expected to make consistently with their trade, development and financial needs, the solution would seem unlikely to be found in any interpretation of the provisions in question, but might require proposals for amendment to the provisions.

9. With regard to residual import restrictions, it was recalled that a full discussion had already taken place at an earlier meeting of the informal group. It had then been agreed that developing countries should press for the establishment of target dates for the elimination of the restrictions; that they might institute intensive consultations on a product-by-product basis under paragraph 2 of Article XXXVII; and that recourse might also be made to the provisions of Article XXIII and the special procedures adopted on 5 April 1966 for the invocation of those provisions by developing countries. It was agreed that developing countries should lend full support to the New Zealand proposal concerning residual restrictions when it came up for discussion at the forthcoming session of the CONTRACTING PARTIES. Efforts should be directed towards the setting of target dates for the elimination of these restrictions. If, for valid

reasons, developed countries were unable to take action by the stipulated dates, they should seek waivers under the relevant provisions of the General Agreement. The waivers should include a programme for progressive elimination of import restrictions by a certain date. Failing that, the developed countries should be required to compensate developing countries for losses sustained on account of the continuance of such restrictions.

Trade negotiations among developing countries

10. The group recognized the importance of the question concerning the nature and scope of concessions to be negotiated. This question had been raised in the Trade Negotiations Committee of Developing Countries as well as at the recent meetings of governmental experts and it was felt that it should be dealt with at an appropriate time prior to the final stage of the negotiations. A member suggested that it would be appropriate for the CONTRACTING PARTIES to adopt a decision on the question whether the negotiated benefits would be applicable on a most-favoured-nation basis or on a preferential basis. It was generally agreed that this question might be taken up at the next meeting of the Trade Negotiations Committee. Most members of the group were of the view that the negotiations should not be conducted on the assumption that the resulting concessions might be of a most-favoured-nation character, even though it was recognized that there might be products on which developed countries had no trade interest whatsoever and on which concessions could be granted on a most-favoured-nation basis without the benefits being shared by them.

Anti-Dumping Code

11. It was recalled that when the Group on Anti-Dumping Policies was working on a new code of general application on anti-dumping practices and procedures to supplement the provisions of Article VI of the General Agreement, developing countries had proposed certain suggestions for inclusion in the text. These suggestions had been rejected by the developed countries and consequently a reservation had been registered by the developing countries in the Group's report. Members of the Group wished to know whether non-subscribers were in a position to claim most-favoured-nation treatment in respect of the facilities provided by it.

12. In reply Mr. Mathur said that there had been, as yet, no determination as to whether only the parties to the Code could enjoy benefits under the provisions of the Code or whether these benefits could be claimed by non-signatory countries also.

13. The group felt that it might be useful if the secretariat were to prepare a paper setting out the legal position. Mr. Mathur undertook to consult his colleagues who were directly involved in this matter and to ascertain what assistance could be provided by the secretariat.

14. The group decided to hold its next meeting prior to the twenty-fifth session of the CONTRACTING PARTIES to continue discussion on various matters of interest to developing countries.