

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 17 NOVEMBER 1969

Prepared by the Secretariat

1. A meeting of the Informal Group of Developing Countries in GATT was held on 17 November 1969 under the Chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. The meeting was attended by the representatives of Brazil, Chile, Colombia, Cuba, Ghana, Greece, India, Indonesia, Israel, Korea, Kuwait, Malaysia, Nigeria, Peru, Spain, Trinidad and Tobago, Tunisia, Turkey, United Arab Republic, Uruguay and Yugoslavia.
2. The purpose of the meeting was to exchange views on matters of interest to developing countries which would be taken up in GATT meetings over the coming months. The discussions are summarized below.

Committee on Trade and Development

3. The Chairman reminded the Group that the Committee, at its December meeting, was expected, inter alia, to enter into a substantive and detailed examination of the operation of Part IV of the General Agreement. He recalled that at the last session of the Committee it was suggested that a working party should be set up to examine how the best use might be made of the consultation procedures provided for in Article XXXVII:2 to deal with difficulties encountered by developing countries. Although this suggestion had not been pursued, there had been a fairly broad expression of views on the subject. A few developing countries were in favour of modifying the text of Part IV in an effort to ensure more effective operation of its provisions. Others felt that the provisions of Part IV were adequate and it was for developing countries to make use of them by reporting specific instances where their trade interests were affected. The Group would be well advised to discuss the matter with a view to arriving at a consensus concerning the position which developing countries might adopt at the forthcoming meeting of the Committee, bearing in mind that the Committee had to submit a report on its work to the next session of the CONTRACTING PARTIES.

4. Speaking at the request of the Chairman, Mr. M.G. Mathur, Assistant Director-General, said that to assist the deliberations of the Committee in the operation of Part IV the secretariat had revised the checklist of points and suggestions to take account of additional notifications by delegations. This revised list would be circulated as COM.TD/W/103/Rev.1. The problems mentioned in the checklist appeared to fall under three heads. Firstly, general problems which had been discussed in the Committee or in its various sub-groups, or problems which, though not specifically discussed in the Committee had been reviewed in its discussions of activities in other bodies of GATT. Examples of the latter type of general problems were the

question of import surcharges, the circumstances in which the standstill provision of Part IV should apply and the question of the extent to which certain restrictions were exempted from the application of Article XXXVII:1. As far as these general problems were concerned, the main thrust of the submissions summarized in the checklist appeared to be that the Committee might examine the possibilities for agreeing on guidelines to deal with particular situations. Secondly, there were certain problems which were being currently discussed in the Committee on Trade in Industrial Products, the Agriculture Committee, and the Working Party on Border Tax Adjustments. It was not clear from the suggestions listed in COM.TD/W/103 whether governments envisaged discussion of these problems in the Committee, or whether it was considered that they might appropriately be dealt with through a continuing review of what was actually being done in those Committees. Thirdly, there were indications concerning concrete cases where specific commitments of Part IV had not been adhered to. Here the suggestions received from governments had centred on a proposal that the procedures under Article XXXVII:2 should be strengthened and suitably modified so as to permit a meaningful and viable process of consultation.

5. In the discussion which followed several members felt that in order to achieve practical results, it was essential that developing countries should cite concrete instances of non-implementation of Part IV, including instances where discussions and consultations in the Committee had not provided any solutions, without which it would not be possible to evaluate the adequacy or weakness of its provisions. The developing countries could continue to stress in the Committee on Trade in Industrial Products and the Agriculture Committee that matters affecting their trade interests should be dealt with in the light of the provisions of Part IV, and cases where no satisfactory solutions were found should be brought back to the Committee on Trade and Development. It was further suggested that developing countries should not press for the establishment of a working party but support the view that the Committee should assume the rôle of a consultative body where concerted pressure could be exercised by developing countries to evoke the necessary political will from the developed countries. It was suggested by some members that developing countries should continue to urge that Kennedy Round concessions of interest to developing countries should be implemented as soon as possible. Other problems in the tariff field such as tariff reclassification of products of interest to developing countries, could be temporarily left aside and could be taken up again in the light of the current discussions on the general scheme of preferences. The proposal of the Director-General for the establishment of a joint working group to deal with all import restrictions, including residual restrictions, should be discussed in detail in this context. In the Committee on Trade and Development special attention should also be given to those cases where it was claimed that import restrictions were being maintained because governments felt obliged to do so under existing legislation. In these cases the mandatory nature of such legislation should be examined. Efforts should further be made to ensure that surcharges were not

imposed on products of interest to developing countries. Although this might involve product discrimination, such action was, in fact, envisaged in the provisions of Part IV. The Committee on Trade and Development could be asked to look into the matter further in the light of a study that might be prepared by the secretariat. Effective procedures should also be established for consultations under Article XXXVII:2 and such consultations should be carried out in the Committee itself. When concrete cases had been raised and effective consultations carried out under Article XXXVII:2, a body of case law would be built up.

6. Summing up, the Chairman said that there appeared to be a consensus that no useful purpose would be served in attempting to modify the text of Part IV, or in establishing a working party. There also seemed to be a general view that developing countries should attempt to bring Part IV into play in the work of various bodies of GATT dealing with the problems of developing countries. Should their efforts fail, any unfinished matter should be brought back to the Committee which should perform the functions of a consultative body. It was also felt that developing countries should make greater use of the provisions of Part IV by citing specific instances where the application of Part IV had not been adhered to in its letter and spirit.

7. The Chairman said that it would be his intention to prepare a paper setting out suggestions for a more effective operation of Part IV which seemed to have emerged from the discussion. The paper would be made available to the members of the Group purely on a personal and informal basis. Should members wish to discuss the paper in the Group, he would convene a meeting in the beginning of December.

Agriculture Committee

8. The Group was informed that the next meeting of the Agriculture Committee was scheduled to be held from 18 November to 5 December, at which the particular problem of vegetable oils and oilseeds was to be discussed. Members of the Group expressed their support for the proposal of Nigeria on this matter.

Other matters

9. It was recalled that the developing countries had registered a reservation with respect to the Anti-Dumping Code. It was suggested that the Group should discuss what further action could be taken by developing countries vis-à-vis the Code and that this might also be a matter to be taken up in the Committee on Trade and Development.