

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

C/W/3

19 September 1960

Special Distribution

COUNCIL
First Session

REVIEW OF DEVELOPMENT OF TRADE RELATIONS BETWEEN YUGOSLAVIA AND CONTRACTING PARTIES SIGNATORIES TO THE DECLARATION OF 25 MAY 1959

Proposed Procedures and Arrangements for the Review

1. Section C of the Declaration of 25 May 1959 on relations between contracting parties to the General Agreement and the Government of the Federal People's Republic of Yugoslavia provides that the CONTRACTING PARTIES be requested to review each year "the development of mutual relations between Yugoslavia and the other parties on the basis of this Declaration as well as the possibilities of further progress towards the full application of the provisions of the General Agreement". By the Decision of 25 May 1959 the CONTRACTING PARTIES have decided to accept such functions as are necessary for the operation of the said Declaration after it has entered into force. The Declaration having come into force on 16 November 1959 it has been agreed that the review should be effected at the seventeenth session.
2. Following the usual practice the CONTRACTING PARTIES will no doubt wish to set up a working party to conduct the review and draw up a report for adoption by the CONTRACTING PARTIES. Normally, the membership of a working party is decided upon by the CONTRACTING PARTIES upon the proposal of the Chairman. In the present case, it is suggested that, having regard to the particular nature of the matter in question, instead of the CONTRACTING PARTIES nominating the members of the working party, this should be open to participation by all contracting parties which are signatories to the Declaration of 25 May 1959.
3. In the light of the provisions of Section C of the Declaration of 25 May 1959 and the working party report of the fourteenth session (L/986) it would appear that the review should cover the following three aspects of the relations between Yugoslavia and the contracting parties concerned:
 - (a) Development in Yugoslavia's commercial policies and progress towards a position to apply the provisions of the General Agreement: Paragraph 3 of Section A of the Declaration states that the Yugoslav Government "will endeavour, in the development of arrangements affecting its commercial policies, to move progressively towards a position in which it can give full effect to the provisions of the General Agreement". Section C of the Declaration provides that the review should cover the possibilities of further progress towards the full application of the provisions of the General Agreement. It is suggested that in this respect the review

should concentrate on changes in arrangements in the relevant fields since May 1959, as the situation existing at that time has been fully discussed with the Yugoslav delegation at the fourteenth session and noted in documents pertaining to that session.

- (b) The extent to which the other parties to the Declaration are applying to Yugoslavia the provisions of the General Agreement in the manner envisaged in paragraph 1 of Section B of the Declaration.
- (c) Any concrete and practical problems arising between Yugoslavia and the other parties to the Declaration: Paragraph 2 of Section A and paragraph 2 of Section B of the Declaration provide for procedures for settling any problems that might arise between Yugoslavia and any other parties to the Declaration. So far no occasion has arisen for any of the parties concerned to resort to the provisions of sub-paragraph (b) or (c) of these paragraphs. It may be that the signatory contracting parties would like to have noted in the review any representations that may have been made by one of the parties concerned, or any consultations that may have taken place pursuant to sub-paragraph (a) of these paragraphs.

4. In order to facilitate the task of the Working Party, it is proposed that the secretariat be instructed to prepare, in consultation with the Government of Yugoslavia and, where necessary, with any other contracting parties, a document setting out all available factual data which are considered useful to the Working Party in its deliberations and in drawing up a report.

5. If these suggestions are approved by the Council, the secretariat will immediately get in touch with the delegations of the contracting parties concerned to discuss what information is needed for the draft document. This draft document should be available for distribution prior to the opening of the seventeenth session. The Working Party would then be able to complete the review and submit its report to the CONTRACTING PARTIES before the close of the session.