

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CG.18/W/2  
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Special Distribution

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Consultative Group of Eighteen  
Second Meeting  
24-25 February 1976

## ANNOTATED PROVISIONAL AGENDA

It is suggested that at its second meeting, the Consultative Group may address itself to the following:

1. Organizational matters
2. Recent developments in trade policy and international trade
3. The international trading system and the rôle of GATT
4. Trade measures taken for balance-of-payments purposes
5. Other business

### Item 1 - Organizational matters

Under this item the Group may wish to take note of and confirm the record of the decisions on organizational matters outlined in paragraphs 4 to 9 inclusive of document CG.18/1.

### Item 2 - Recent developments in trade policy and international trade

The purpose of this item would be to permit delegations to raise specific questions which may concern them rather than to have a general and comprehensive discussion on recent trade policy developments.

Some delegations have indicated that they would wish to revert to the question, raised at the first meeting, of possible measures to relieve the present difficulties of developing countries, and especially the most seriously-affected among them.

A short secretariat note covering recent trends and developments in international trade will be circulated as document CG.18/W/3.

Item 3 - The international trading system and the rôle of GATT

The Group may wish to discuss this item in the light of paragraph 9 of the Tokyo Declaration, which states that "consideration shall be given to improvements in the international framework for the conduct of world trade which might be desirable in the light of progress in the negotiations", and of paragraph 7 of the same Declaration which emphasizes the need for parallel efforts in the trade and monetary fields, and also of discussions in other fora which are relevant to present and future GATT activities.

This issue would need to be considered in both its short-term and long-term aspects. For this purpose, it might conveniently be discussed under two broad headings:

- (a) Developments in other fora
- (b) Improvement of GATT procedures and framework

(a) Developments in other fora

The Director-General could introduce this item by giving, in so far as relevant to GATT action, a short progress report on:

- The IMF Jamaica meeting
- The inter-secretariat United Nations Task Force on Implementation of General Assembly Resolution 3362
- The Ad Hoc Committee of the General Assembly on Restructuring of the Economic and Social Sectors of the United Nations System
- The Four Commissions of the Paris Conference on International Economic Co-operation

Relevant documents are the communiqués of the Interim Committee of the Board of Governors of the International Monetary System (IMF press release No. 76/1, dated 8 January 1976) and of the Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries (communiqué of 9 January 1976) for the Jamaica meeting; United Nations General Assembly Resolution A/RES/3362 (S-VII) for the Task Force and Ad Hoc Committee<sup>1/</sup>; and the final communiqué (CCEI-CM4 of 19 December 1975) of the first meeting of the Conference on International Economic Co-operation.

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<sup>1/</sup> Including the report of the Group of Experts on the structure of the United Nations system (E/AC.62/9).

(b) Improvement of GATT procedures and framework

In this connexion, the following specific points, inter alia, might be discussed:

1. How can more effective use be made of the existing provisions of the General Agreement and, in particular, of the provisions of Part IV, in order to mitigate the difficulties of developing countries?
2. How can more frequent and better use be made of the possibilities for consultations provided for in the General Agreement?
3. How can present procedures for the settlement of disputes be improved?
4. Is there scope for the institutionalization of the international surveillance procedure?
5. How can preferences for and between developing countries be accommodated within the GATT framework in the future?

The Group may wish to consider these points in the light of a number of proposals already put forward by delegations. The delegation of Brazil, at the Trade Negotiations Committee meeting of 9 and 10 December 1975, suggested that urgent consideration be given to improving the international framework for the conduct of world trade, particularly with respect to trade between developed and developing countries and differentiated and more favourable measures to be adopted in such trade. At the last meeting of the Consultative Group of Eighteen, a number of delegations proposed a discussion of the longer-term rôle of GATT with respect to the general question of trade in primary products. At the same meeting, the delegation of India proposed that a group of competent persons be appointed to consider the experience of the last twenty years and to make recommendations on the further realization of the objectives and purposes of the General Agreement.

Item 4 - Trade measures taken for balance-of-payments purposes

At its first meeting the Group embarked upon a preliminary but wide-ranging discussion on possible changes in the internationally agreed scope for trade measures for balance-of-payments purposes and on the interrelated question of possible improvements in the framework and procedures of consultation and in the current arrangements governing the relationship between GATT and the IMF. It was agreed that the Consultative Group should revert to these questions at its forthcoming meeting in the light, inter alia, of the outcome of the recent meeting in Jamaica of the Interim Committee of the IMF, and after having had

the opportunity to reflect on the views expressed by participants at the first meeting of the Consultative Group on the modalities and procedures of the relevant GATT provisions and on the objectives at which they are aimed. It was suggested that participants might submit views in writing for the purpose of this discussion.

The following were among the points raised in this regard at the first meeting and which participants might wish to consider or further consider at the forthcoming meeting:

1. Should Article XII be amended to cover other commercial policy measures adopted for balance-of-payments purposes which have a trade restrictive effect;
2. Does the fact that many exchange rates are likely to float for some time indicate that the GATT rules for imposing trade measures for balance-of-payments purposes should be made more stringent;
3. Should GATT/IMF co-operation be strengthened and, if so, what form should future co-operation take;
4. How can the examination procedure become more useful. For example:
  - (i) Should the Balance-of-Payments Committee be empowered to recommend alternative measures in the trade field in cases where it is considered that the measures under review unduly distort trade or impair concessions or advantages accruing to other contracting parties under the General Agreement including Part IV;
  - (ii) Should the Committee be empowered to include in its reports the reasons for its conclusions, inter alia as a means of developing guidelines and greater uniformity of practice in this area;
  - (iii) Should there be uniformity in the procedures and criteria applying to countries experiencing balance-of-payments problems.
5. How can the Balance-of-Payments Committee's influence be brought effectively to bear on a situation in which a Government is constrained to maintain trade restrictive measures to counter the effects of measures imposed against its own exports by its trading partners.

Item 5 - Other business