

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

CG.18/W/18

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Special Distribution

Consultative Group of Eighteen
Fifth Meeting
22-23 September 1977

ANNOTATED PROVISIONAL AGENDA

It is suggested that at its fifth meeting the Consultative Group address itself to the following:

1. Recent developments in trade policies and international trade
2. Trade measures taken for balance-of-payments purposes
3. The international trading system and the rôle of GATT
4. World trade in agricultural products
5. Definitive application of the General Agreement
6. Other business

Item 1.- Recent developments in trade policies and international trade

The purpose of this item would be to enable the Group to review the current situation and problems in international trade, having regard to significant developments in the international economic situation generally since the Group had its last meeting.

In addition to providing members an opportunity to raise any matters of direct concern to them, the Group may wish to review trade policy developments in recent months in the light of the developments in the overall payments situation of both developed and developing countries, as well as changes in production and trade and other factors affecting future prospects. In this connexion, the Group may wish to exchange views on some of the major problems affecting international trade generally or in areas of particular interest with a view to arriving at a better overall appreciation of the situation, of the considerations that affect policies by governments, and of the possibilities of using the GATT framework of multilateral co-operation in order to deal more effectively with some of these problems.

In so doing the Group might devote particular attention to the recent aggravation of protectionist pressures and tendencies, including factors underlying these pressures, and to the implications for the international trading system and for the balanced recovery of the world economy of the protective measures taken in some areas. In this regard members of the Group may wish to refer, inter alia, to the discussions in the GATT Council since November 1976 on trade policy measures with restrictive effects taken by various governments (C/M/117-122).

Members of the Group might also wish to revert, under this agenda item, to the suggestions made at previous meetings, or to make further suggestions, with regard to improvements in the application of the existing provisions of the General Agreement in order to mitigate the immediate difficulties confronting the international trading community. Some of the suggestions made at previous meetings were:

- (a) that special attention should be given to the GATT notification and information procedures, so as to ensure transparency of countries' trade measures and policies;
- (b) that greater and more regular resort should be made to the opportunities for prior consultation afforded by the General Agreement and in particular by paragraph (b) of the terms of reference of the Consultative Group of Eighteen;
- (c) that, as short-term means of assisting developing countries, the provisions of Part IV, particularly its standstill provisions, should be applied more effectively and rigorously; that products of export interest to developing countries should be exempted from restrictions already imposed or contemplated; and the proposal (CG.18/W/6) that the Council should study the ways and means, and take action, to adopt a programme to provide emergency relief to the developing countries in general and to the most seriously affected among them in particular;
- (d) that the Group could appropriately consider the relative vulnerability to external disturbances of the smaller industrialized countries whose position tended to be obscured by the polarization of international discussion on trade between developed and developing countries.

With a view to facilitating discussion of this item, the GATT secretariat will make available to the Group an advance copy of the introductory chapter of its report on International Trade 1976-1977 summarizing recent trends in world production, trade and payments which have a bearing on the present situation and future prospects. This will be circulated as document CG.18/W/19.

Item 2 - Trade measures taken for balance-of-payments purposes

It is suggested that the Group may wish to further consider this item under the following broad headings:

- (a) The rules and procedures relating to trade measures taken for balance-of-payments purposes
- (b) GATT/IMF relations
- (a) The rules and procedures relating to trade measures taken for balance-of-payments purposes

Amongst other matters which the Group might wish to discuss in this context is the operation of current procedures relating to arrangements for balance-of-payments consultations with developing countries.

As regards the general question of improvements in the rules and procedures relating to trade measures taken for balance-of-payments purposes, it was agreed at the fourth meeting to defer substantive discussion until the next meeting when the Group would revert to this subject on the basis, inter alia, of documents CG.18/W/8 and CG.18/W/9/Rev.1. At the forthcoming meeting the Consultative Group may accordingly wish to take up this matter for further consideration.

(b) GATT/IMF relations

Following discussion at the third meeting of the Group on the question of improvements in the current arrangements for co-operation and exchange of information between GATT and the IMF, it was agreed that the respective secretariats should jointly work out the practical means for improving co-ordination between the two institutions (CG.18/3, paragraph 24).

At the fourth meeting of the Group, the Director-General reported on the stage reached in his discussions with the Managing Director of the Fund on a number of possible measures to improve co-ordination between the two institutions in such matters as the exchange of information, the account to be taken by the Fund of trade considerations in the conduct of its activities, the nature and

content of the reports provided by the Fund under Article XV of the General Agreement, and closer co-ordination between the Fund and the GATT in the exercise of their respective jurisdictions. In the light of the ensuing discussion it was agreed that it was important that progress should be made in each of the areas outlined, and that the Director-General should keep the Group informed of his further discussions with the Managing Director of the Fund (CG.18/4, paragraph 18).

The Director-General will accordingly report to the Group on the further discussions with the Fund on measures to improve co-ordination between the two institutions.

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

It is suggested that under this item the Group may wish to discuss:

(a) Dispute management

(b) Proposals for improvement in the operation of the GATT

(a) Dispute management

The subject of dispute management was introduced into the Group's discussions at the fourth meeting on the basis that, having regard to the work being undertaken on this subject in various MTN Groups, a preliminary discussion and exchange of views on how this matter might be dealt with, and on points requiring consideration, might facilitate a coherent and co-ordinated approach to the general question of dispute management. On that occasion the Group had before it a note by the secretariat (CG.18/W/15) which outlined a number of headings under which the matter might be discussed, including certain specific issues which could be examined in more detail.

It is suggested that at its fifth meeting members may wish to express views on the usefulness of a further discussion of the question of dispute management within the Consultative Group having regard, inter alia, to the discussion on this subject which was initiated at the last meeting of the Group (CG.18/4, paragraphs 21-29).

(b) Proposals for improvement in the operation of the GATT

This item is intended to provide an opportunity to members of the Group to revert to proposals made at earlier meetings of the Group with respect to improvements in the operation of the GATT either generally or in specific areas, or to make new suggestions.

Item 4 - World trade in agricultural products

This item was introduced into the Group's discussions at its third meeting (CG.18/3, paragraphs 32 to 35) and was the subject of further discussion at the fourth meeting of the Group on the basis, inter alia, of a memorandum presented by the member for Australia (document CG.18/W/16) in which it was proposed that the Group should address itself to the longer-term prospects for agriculture in the multilateral trading system.

At the conclusion of the discussion at the fourth meeting it was suggested that the approach outlined by the member for Australia deserved careful consideration as to the manner in which a topic of such magnitude might best be handled. In this regard the member for Australia agreed to present a number of selected points on which the Group might focus in its further consideration of this item (CG.18/4, paragraphs 9-14).

A further Australian memorandum on world trade in agricultural products has been circulated for the forthcoming meeting as document CG.18/W/17.

Item 5 - Definitive application of the General Agreement

This item has been placed on the agenda at the request of the European Communities.

A memorandum on this subject by the European Communities will be circulated for the forthcoming meeting (document CG.18/W/20).

Item 6 - Other business