

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF  
DEVELOPING COUNTRIES HELD ON 21 APRIL 1967

Prepared by the Secretariat

1. Another in a series of regular meetings of the informal group of developing countries in GATT took place on 21 April 1967, under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. Present were the representatives of Argentina, Brazil, Ceylon, Chad, Chile, Dominican Republic, Ghana, India, Indonesia, Israel, Jamaica, Korea, Nigeria, Pakistan, Peru, Sierra Leone, Spain, Trinidad and Tobago, Tunisia, Turkey, United Arab Republic, Uruguay and Yugoslavia.

2. The following points were discussed:

- (a) present state of the Kennedy Round and follow-up action on the requests made to developed countries for improvement of their offers;
- (b) the proposed Code on Anti-Dumping Policies;
- (c) trade negotiations among developing countries.

Kennedy Round and requests of developing countries

3. At the invitation of the Chairman, the Deputy Director-General addressed the group on the present state of the Kennedy Round with particular reference to the time-table for the coming weeks of the negotiations. He stated that, at present, intensive negotiations were going on among developed contracting parties and serious efforts were being made to resolve the difficult problems remaining in the agricultural sector. The "linear countries" had undertaken to establish positive offers lists to be tabled by a certain date which would permit a decisive round of final negotiations. These offers should reflect the developed countries' responses to the requests made by the developing countries, including those relating to the exclusion from exceptions lists of items of interest to them and deeper than linear cuts; replies concerning advance implementation, however, would probably have to await the completion of the negotiations. As regards the date for the tabling of these semi-final offers, it had been suggested that a further, brief period should be allowed for the exploration of all possibilities

on improving the initial offers, particularly in the agricultural sector, so that what was tabled would represent the maximum possible offers that could be made. It was understood that the developed countries would meet again on 26 April to review the situation. It should also be noted that the meeting of the Council of Ministers of the European Economic Community which had been scheduled for 24-25 April, had been postponed to 2-3 May and that consequently, the semi-final offers from that quarter could not be expected until about 5 May. It would thus appear that the substantive negotiations could be brought to a close only by the second week of May. At the meeting between developed and developing countries on 6 April, it had been agreed that a further meeting of the same nature should be held between the two groups of countries. The Deputy Director-General suggested that it would be advisable to postpone that meeting until the semi-final offers had become available. Between now and then, developing countries should continue to exercise pressure in their bilateral negotiations with developed countries with a view to seeking improvement wherever possible in the latter's offers.

4. The group thanked the Deputy Director-General for his lucid statement and expressed appreciation for the various suggestions put forward.

5. During the discussion disappointment was expressed over the revised time-table which, in the view of many delegations, again left very little time at the disposal of developing countries for action. It was proposed that steps should be taken to ensure that sufficient time was allowed to developing countries between the revealing of semi-final offers lists and the final cut-off date for substantive negotiations so that they could evaluate the offers and seek instructions from their governments. The general view was that a meeting of the Trade Negotiations Committee at ministerial level should be held before the final package was approved. The Deputy Director-General expressed sympathy and understanding with the timing difficulties which created problems for all participants and pointed out that an extension of the negotiation time-table was limited by the 30 June final deadline. A decision concerning the proposed ministerial meeting should be taken in the light of the negotiation situation as revealed over the next week.

6. The group agreed that the Chairman of the group should call on the Director-General with a view to informing him of the importance which developing countries attached to the holding of a meeting at political level and the need for allowing sufficient time to the developing countries, preferably until 22 May, for consideration of the developed countries' semi-final offers.

Code on Anti-Dumping

7. The Chairman stated that certain delegations had expressed a wish to have an exchange of views in the informal group on the proposals being discussed in the Group on Anti-Dumping Policies. He had consequently included this item on the agenda and had invited a member of the secretariat to introduce the subject and to participate in the discussion. He expressed the hope that a discussion in the informal group would lead to a better understanding of the provisions of the draft Code on Anti-Dumping which was being finalized.

8. Mr. Patterson, Assistant Director-General for Trade Policy and Intelligence, gave a brief exposé of the background and the work done in the Group on Anti-Dumping Policies. He recalled that, in accordance with the decision taken at the initial stage of the Kennedy Round that the negotiations should cover not only the customs tariff but also non-tariff barriers, this Group had been established to examine problems caused by anti-dumping regulations in certain major developed countries considered unduly restrictive of trade and not in keeping with the spirit of Article VI of the General Agreement. The Group considered that the purpose would be best achieved by the adoption of a code of conduct for governments in the administration of anti-dumping policies and in the implementation of Article VI. The Group was at present in the process of finalizing its report and a draft Agreement on Implementation of Article VI of the Agreement embodying the proposed Code (TN.64/NTB/W/18). The principal purpose of this was to limit the extent to which governments could impose penalties on other contracting parties on the grounds of defence against dumping. At the same time the Code had also come to be regarded as a means of inducing countries faced with the effects of dumping to rely on these well-defined measures of anti-dumping rather than on escape clause action involving the use of import prohibition or quotas. The intention was, therefore, both to protect exporters against capricious or arbitrary action including excessively heavy anti-dumping levies and undue delays in assessment. Mr. Patterson indicated that substantial progress had been made in the Group and the text of the Code had been generally accepted by the contracting parties participating in this work. The only remaining point of contention related to paragraph 14 (of the text in TN.64/NTB/W/18; or Article 13 in TN.64/NTB/W/19) which certain contracting parties had difficulty in accepting and the Group was considering proposals to resolve the problem, such as to include the substance of the provision in the permanent records of the Trade Negotiations Committee instead of the Code itself. The intention of the negotiating contracting parties was that the draft Agreement, once approved by the Trade Negotiations Committee, would constitute an annex to the final act of the 1964 Trade Negotiations and would be open for acceptance by 1 June 1967.

9. In response to questions, Mr. Patterson stated that it was true that there had been discussions in the Group on Anti-Dumping Policies on what was generally known as freight dumping but in view of the findings of the Group of Experts in 1961 that freight dumping did not fall under the provisions of Article VI, the matter was not further pursued. The Code represented a serious effort to resolve existing problems between certain developed countries and was expected to be signed by Canada, the European Economic Community, Japan, the United Kingdom and the United States which were to be enumerated in Article 16(a). The Code would be open to signature by all contracting parties. It went without saying that, not being a signatory to the Code would not relieve any contracting party from its obligations under the General Agreement.

10. The group thanked Mr. Patterson for his clear exposé and requested that, in order to facilitate bilaterally settlement of the problem involved in Article 14 of the Code, the meeting of the Group on Anti-Dumping Policies should be held towards the end of this week and not on 25 April as scheduled.

Expansion of trade among developing countries

11. The group had intended to discuss this subject at this meeting, in view of the approaching date limit of 30 April previously set for the submission of specific requests lists for the negotiations. Due to lack of time, the group agreed to take up this matter at a later meeting.