

GENERAL AGREEMENT ON TARIFFS AND TRADE

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BALANCE-OF-PAYMENTS CONSULTATIONS IN 1965

Note by the Secretariat

The Committee on Balance-of-Payments Restrictions held consultations with eleven countries in 1964. This paper relates to the programme of consultations in 1965.

(a) Contracting parties previously consulted which still invoke Articles XII or XVIII

It is suggested that the following countries should consult during the course of 1965 (the date of the last consultation is given in brackets):

Burma	(December 1963)
Chile	(June 1963)
Finland	(November 1964)
Indonesia	(June 1963)
Israel	(November 1964)
New Zealand	(November 1964)
South Africa	(May 1964)
Spain	(November 1964)
Turkey	(June 1963)
Uruguay	(September 1962) ¹

(b) Newly acceded countries

Among the countries which have recently become contracting parties, the Central African Republic, Congo (Brazzaville), Ivory Coast, Mauretania, and Togo have notified that they maintain quantitative restrictions for balance-of-payments reasons, in effect invoking the provisions of Article XVIII:B. It is expected that documentation on the Ivory Coast and Togo will be available from the International Monetary Fund in 1965; consultations with these two countries under Article XVIII:12(b) could therefore be conducted in that year. On the other hand there may be practical advantage in deferring consultations with other new contracting parties which maintain quantitative restrictions for balance-of-payments reasons until later, in the hope that more complete documentation will become available.

¹Uruguay, whose balance-of-payments restrictions are still governed by the provisions of the unrevised Article XII, last consulted in 1962. However, in connexion with examination of the Uruguayan request for an extension of the Decision of 8 May 1961, Uruguay's balance-of-payments situation was reviewed in December 1963.

(c) Countries which have acceded provisionally

As regards countries which have acceded to the GATT provisionally, consultations were held in 1963 with the United Arab Republic and Yugoslavia; since they have indicated that they regard themselves as consulting under the provisions of Article XVIII, consultation would be required in 1965. As Tunisia has also informed the secretariat that quantitative restrictions are maintained on balance-of-payments grounds, it would appear appropriate to invite Tunisia similarly to begin consultations under Article XVIII:B in 1965. Iceland has notified that restrictions are maintained on balance-of-payments grounds and has invoked Article XII; a consultation is therefore envisaged for 1965.

There are thus something like sixteen consultations to be held in 1965. Informal enquiries have already been made of some of the countries about the timing of consultations, and the possibilities have been discussed with the representative of the International Monetary Fund.

It is suggested that, as in the past, there should be a spring and an autumn series of meetings of the Committee on Balance-of-Payments Restrictions and that it be left to the secretariat to make the detailed arrangements, in consultation with the countries concerned and with the International Monetary Fund, bearing in mind the consideration that the GATT consultation should desirably take place as soon as possible after the conclusion of the IMF consultation in order that contracting parties may profit by material prepared in that connexion and by the availability of an authoritative up-to-date evaluation of the country's balance-of-payments situation. The secretariat would also bear in mind the importance, both for the members of the Committee and for the staff, of arranging a fairly even division of work between spring and autumn meetings of the Committee.

Arrangements for consultations in 1965

It is accordingly proposed:

- (i) that provision be made for two series of balance-of-payments consultations during 1965, one in the spring and one in the autumn;
- (ii) that, within that framework, the secretariat be directed to arrange, in consultation with the International Monetary Fund and the individual countries concerned, a time-table for consultations with the following countries: Burma, Chile, Finland, Iceland, Indonesia, Israel, Ivory Coast, New Zealand, South Africa, Spain, Togo, Tunisia, Turkey, United Arab Republic, Uruguay, Yugoslavia; and
- (iii) that the procedures and arrangements noted in BISD, 7th Supplement, pages 90-92 and 95-98 in so far as appropriate, be followed in the 1965 consultations.