

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/2191
19 March 1964

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CONTRACTING PARTIES
Twenty-first Session

BALANCE-OF-PAYMENTS CONSULTATIONS IN 1964

1. The Council, at its meeting of 12-19 December 1963, suggested that the question of arrangements for balance-of-payments consultations for 1964 be placed on the agenda of the twenty-first session.
2. At present fifteen contracting parties invoke Article XII or Article XVIII:B.
 - (a) Among these, Finland, New Zealand and South Africa invoke Article XII and are required to consult annually under paragraph 4(b) of that Article;
 - (b) Ten contracting parties, whose balance-of-payments restrictions are applied under Article XVIII:B, are required under Article XVIII:12(b) to consult only once in two years. Among these, Burma, Chile, Indonesia and Turkey held consultations during 1963. Brazil, Ceylon, Ghana, Greece, India and Pakistan will need, therefore, to consult under Article XVIII:12(b) in 1964;
 - (c) In addition, Israel has agreed to consult on its balance-of-payments restrictions annually;
 - (d) Uruguay, whose balance-of-payments restrictions are still governed by the provisions of the unrevised Article XII, last consulted on its balance-of-payments restrictions in 1962. Uruguay's balance-of-payments situation was, however, reviewed in December 1963 in connexion with examination of Uruguay's request for an extension of the Decision of 8 May 1961. It may therefore be felt that no further balance-of-payments consultation with Uruguay is required in 1964.
3. Provision may also need to be made at a later stage for consultations with some of the countries which have recently become contracting parties and whose position in regard to the use of quantitative restrictions has not yet been clarified. The secretariat has submitted enquiries to these countries with a view to obtaining the necessary clarification.
4. As regards the countries which have acceded to the GATT provisionally, consultations were held in 1963 with the United Arab Republic and Yugoslavia. Both countries have indicated that they regard themselves as consulting under the provisions of Article XVIII, under which no consultations would be required in 1964.

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5. The secretariat is in touch with the other governments which have acceded provisionally with a view to clarifying whether balance-of-payments consultations are required in their case. Iceland, which is expected to accede provisionally this year, has indicated that it maintains balance-of-payments restrictions and that it would invoke Article XII in respect of these restrictions.

6. There are thus ten consultations definitely to be held in 1964, and it is probable that several others will be required before the end of the year. In view of the relatively short time which would remain after this session for preparation of material for a series of consultations in the first half of 1964, enquiries have already been made of Ceylon, Ghana, India and Pakistan about the possibility of holding consultations in May 1964, and these countries have been asked to prepare material for use in the GATT background papers. In view of the possibility that the 1963 consultations with South Africa may be reopened (see L/2094, paragraph 24), it might also be desirable to schedule the 1964 consultations with South Africa for the May series. These possibilities have been discussed with representatives of the International Monetary Fund.

Arrangements for consultation in 1964

7. It is accordingly proposed:

(i) that provision be made for two series of balance-of-payments consultations during 1964, one in the spring and one in the autumn;

(ii) that the first of this series be held in late May, when concurrent or prospective meetings may facilitate adequate representation by consulting countries, and that a second series be scheduled at a similar period in the autumn;

(iii) that, subject to any necessary modification of the time-table for the individual consultations, and subject to agreement by the International Monetary Fund, the time-table for the individual consultations be as follows:

In the Spring

Ceylon
Ghana
India
Pakistan
South Africa

In the Autumn

Brazil
Finland
Greece
Israel
New Zealand

Any consultations which may be found necessary as a result of the enquiries referred to in paragraphs 3 and 5 above.

(iv) that the procedures and arrangements noted in BISD, Seventh Supplement, pages 90-92 and 95-98, in so far as appropriate, be followed in the 1964 consultations.