

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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Committee on Balance-of-Payments Restrictions

NOTE ON THE MEETING HELD ON 15 NOVEMBER 1994

1. The Committee met on 15 November 1994, under the Chairmanship of Mr. Peter Witt (Germany), to consult with India and Pakistan under Article XVIII:12(b).
2. Under "Other Business" the Chairman referred the Committee to a recent notification by Sri Lanka (L/7542), which indicated that Sri Lanka continued to maintain import restrictions under Article XVIII:B. The Chairman announced that, in accordance with the decision taken by the Committee at the last simplified consultation with Sri Lanka (BOP/R/219), the Committee would have a full consultation with Sri Lanka in Spring 1995, the precise date depending on the availability of relevant IMF documentation.
3. The representative of the Philippines called the Committee's attention to its revised notification (BOP/312/Add. 1./Rev. 1.) which, at the request of the Committee, identified the bound duties applicable to tariff lines affected by balance-of-payments restrictions. At the request of several Committee members, the representative of the Philippines informed the Committee that, at present, the Philippines was not prepared to discuss the question of a time-table for the elimination of import restrictions maintained for balance-of-payments reasons, however, at the next regular consultation of her country in the Committee, which was due in Spring 1995, they would be prepared to do so. The Committee took note of the notification and the statements made.
4. The Chairman announced that he had finished the informal consultations on terms of reference for the WTO Committee on Balance-of-Payments Restrictions and forwarded a draft text for consideration to the Sub-Committee on Institutional, Procedural and Legal Matters.
5. Also under "Other Business", the representative of Pakistan expressed concern that in some respects the documents prepared by the Secretariat in connection with the simplified consultations with Pakistan and India (BOP/W/158 and 159) included some aspects which went beyond the requirements established by paragraph 7 of the 1979 Declaration on Trade Measures Taken for Balance-of-Payments Purposes. According to paragraph 7, "The GATT Secretariat, drawing on all appropriate sources of information, including the consulting contracting party, shall with a view to facilitating the Consultations in the Committee prepare a factual background paper, describing the trade aspects of the measures taken,..." He cited as examples, paragraph 17 of the background paper on Pakistan, which included an assumption by stating "The Secretariat understands that the 1994/95 Negative List (Annex I) contains all the restrictions maintained by Pakistan for balance-of-payments reasons". Paragraphs 4, 6, 7, 8, 10, 12, 14, 16, 17, 19 and 21 of the background paper on India also included judgements which, according to his view, went beyond the scope of a "factual background paper" and seemed to prejudice the Committee's considerations. A number of delegations supported this view and noted that the use of pejorative statements or adjectives should be avoided.

6. Other Members of the Committee pointed out that the Committee needed clear and readable documents based on facts, which might include objective analysis and characterization of the situation. The point was made by several members that the Secretariat could fulfil its mandate only if it received sufficient data from the consulting countries. In the case, referred to by the representative of Pakistan, the Secretariat had expressed its understanding in the absence of complete information. Moreover, background documents were prepared in close cooperation between the Secretariat and the consulting country; in preparing these papers, the Secretariat asked the consulting country to comment on the draft.

7. The Committee took note of the statements.