

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 22 JUNE 1971

1. A meeting of the Informal Group of Developing Countries in GATT was held on 22 June 1971 under the Chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. Present were the representatives of Ceylon, Chile, Cuba, Gabon, Ghana, India, Indonesia, Israel, Ivory Coast, Jamaica, Republic of Korea, Malaysia, Nigeria, Spain, Trinidad and Tobago, Tunisia, Turkey, United Arab Republic and Yugoslavia.
2. Referring to the note he had circulated on 16 June 1971, the Chairman said that the meeting had been convened to enable members of the Informal Group to discuss preparations for the next meeting of the Committee on Trade and Development which was scheduled to take place on 20 July and to review the GATT outlook between now and the next session of the CONTRACTING PARTIES. He imagined that the July meeting of the Committee on Trade and Development would consider *inter alia* the preliminary report of the Group of Three; preparations for the Committee's annual review of the implementation of Part IV and the possible extension of the scope of this review; and a stock-taking of the work of the subsidiary bodies of the Committee.

The July meeting of the Committee on Trade and Development

(i) Report of the Group of Three

3. Mr. Besa, Chile, in his capacity as Chairman of the Group of Three, was invited to give his views on how he envisaged the next stage of the Group's work. Mr. Besa said that to date the Group had received no reactions from developed countries as to any action to be taken on the recommendations set out in the Group's report. He had recently addressed a note to developed countries individually expressing the hope that they would be in a position to give positive reactions to the recommendations of the Group during the next round of consultations which would take place early in the autumn. In his view, developed countries could not be expected to give their final replies by the time of the July meeting of the Committee on Trade and Development. Developing countries should however use the occasion to officially restate their support of the Group's report and to exert the necessary pressure to ensure that positive responses would be obtained from developed countries during the next round of consultations. He stressed that the Group of Three's report contained the very minimum which developed countries could be expected to give and that their response would demonstrate the extent of their goodwill in dealing with the trade problems of developing countries.

4. Mr. Besa said that during the discussion at the July meeting of the Group's report, the Committee will be expected to take note of the preliminary report and to give any comments which it would wish to be taken into account when the final report of the Group was prepared. Although the report of the Group was preliminary in nature and might need to be modified by the Group, the recommendations in the report should be regarded as final. While additional recommendations might be included eventually it was not envisaged that those already made would be altered substantially. He recalled that the Group had invited developing countries to make suggestions on points of particular interest to their governments which they would wish the Group to explore during their consultations with the developed countries. Only one developing country had responded to this invitation. Mr. Besa urged that every effort should be made by developing countries to provide the information in question in order to ensure that in carrying out the second round of negotiations with developed countries the Group of Three had a comprehensive picture of the situation.

6. Members of the Group agreed that final reactions of developed countries to the recommendations in the report of the Group of Three could not be expected at the July meeting of the Committee on Trade and Development. There was general agreement that developing countries should give their full support to the report of the Group of Three in the hope that this would facilitate a positive response to the Group's recommendations during the second round of consultations. Certain members felt that at the July meeting the developed countries should be in a position to give some reactions *ad referendum*, considering that the report had been made available for the informal session of the CONTRACTING PARTIES last April. The remarks made by developed countries on the report on that occasion had not been recorded.

7. Some members, commenting on the section of the Group's report which dealt with quantitative restrictions, suggested that attention might also be given to the question of voluntary export restraints which developing countries were obliged to exercise on certain products vis-à-vis certain developed countries. They wondered whether the suggestion in the Group's report that the textile problem should be studied was meant to limit such a study to cotton textiles or whether it was intended to cover textiles as a whole. They hoped that in putting aside the cotton textile problem when discussing quantitative restrictions in the report the Group had not passively accepted that quantitative restrictions should continue to be maintained in that sector against imports from developing countries. Some members noted that the Group's recommendations on tropical products had been made largely in relation to the General System of Preferences. They felt that this should be considered merely as a starting point and hoped that further efforts would be made to obtain progress over a wider area in this field. It would not be unreasonable for some members to say that on some problems the Group of Three could have gone further.

(ii) Other matters

8. Members of the Group felt that in addition to the points mentioned by the Chairman, the Committee on Trade and Development should at its next meeting give an opportunity, as in the past, for the carrying out of a review of developments

in trade policy which had implications for the trade of developing countries. They mentioned in this connexion certain references in the press to the establishment within OECD of a high level group to examine and make suggestions on problems in international trade. They recalled that a proposal had been made during the GATT Informal Meeting by the Swedish delegation that a group on trade policy should be set up to look into international trade and make preparations for future negotiations. They expressed concern that activities similar to those underway in GATT were being initiated elsewhere. While recognizing the positive side of this initiative in the sense that developed countries were making serious efforts to resolve their mutual problems by way of discussion and consultation, they felt considerable concern over the growing trend towards the discussion of major trade problems in fora where developing countries were not represented. It was conceivable that decisions could be taken by developed countries in such conditions which would have a bearing on the trade interests of developing countries and in which their views and concerns would not be reflected. As no official version of the recent developments in OECD had so far been made available, it was suggested that the GATT secretariat should include information on this matter in its documentation dealing with developments in other organizations which would be supplied to the next meeting of the Committee on Trade and Development. Certain members felt that irrespective of what was going on in the OECD, developing countries should formulate their own strategy, strengthen their co-ordinating machinery and establish co-operation in the technical preparations for future negotiations.

9. Members felt that there should be a discussion at the next meeting of the Committee on Trade and Development on the work of the subsidiary bodies of the Committee in order to see where matters stood in the respective fields with which these bodies were charged. They also felt developing countries should bring forward any ideas they might have on any new approaches GATT could take to deal with the trade problems of developing countries. In this connexion it was suggested that the Committee should discuss whether developed countries could be persuaded to exempt developing countries from any restrictions they might apply when taking action under Article XIX when the cause of difficulties requiring such action did not originate in developing countries.

10. In response to the request for information addressed to the secretariat, Mr. M.G. Mathur, Assistant Director-General, referred to an OECD press communiqué on a recent meeting in Paris, the relevant sections of which read as follows:

"Ministers furthermore affirmed that their governments will pursue policies aiming at greater liberalization of international trade. Having in mind the changing nature of trade and related problems, and the particular responsibilities which OECD member countries will continue to carry in world economic affairs, Ministers agreed that broader opportunities for progress towards this general aim should be explored. To this end they decided to set up within the Organization a small high-level group whose members would be chosen by reason of their wide competence and experience from among high officials or other personalities designated by governments.

This group will analyze the trade and related problems which arise in a longer-term perspective, i.e. it will define the problems and assess their relative urgency, consider how these problems might be dealt with, and set out options for their solution. Ministers stressed that this study should take account of the work being undertaken in the GATT by virtue of its responsibilities and prerogatives under the General Agreement."

11. Mr. Nathur said he understood that there was agreement that the reference in the communiqué to the work in GATT should be interpreted to mean that the study should support and complement the work being carried out in GATT. It should be appreciated that press communiqués could not always contain explanations of the reasoning and motivations behind certain proposals or decisions, nor would it be feasible in a GATT document to analyze the significance of decisions taken in another organization. In this sense he felt that developing countries could perhaps concentrate on giving attention to the initiatives that could be taken in the GATT to deal with current trade problems. As the secretariat understood the position, the OECD initiative was not being regarded as cutting across or taking the place of the proposals put forward at the informal GATT session.

12. As far as the agenda of the next meeting of the Committee on Trade and Development was concerned, in addition to a discussion of the report of the Group of Three, it was to be expected that the Committee would also wish to take stock of the work of subsidiary bodies. In the case of tropical products, the secretariat had recently issued documentation on vegetable oilseeds, oils and cakes, on measures affecting selected products and on recent market developments and activities in other organizations (SGTP/21, 22 and 23) which could assist in the discussions of this subject. It would be useful to reinforce the pressure of the Group of Three by reviewing where matters stood in the Special Group on Tropical Products. The Group of Three had concentrated on action which could be taken in the immediate future in the tropical products field, and the Committee might want to indicate its interest in the longer term problems remaining under examination by the Special Group. Such a discussion could be of a preliminary nature in which note could be taken of what was going on with a view to carrying out a more detailed examination later in the year when the work of the Group of Three was completed and an up-to-date picture of the situation would be available. The Committee might also take note of developments in the work of the Group on Residual Restrictions, and the Group on Adjustment Assistance Measures following the meeting of that Group which took place earlier this year, and to discuss what may need to be done by way of further work in these two bodies.

13. Mr. Nathur recalled that it was normal practice that at each meeting of the Committee on Trade and Development an opportunity would be given to members of the Committee to consider recent developments relating to the implementation of Part IV. Any member wishing to take into account any developments in the trade field could do so under the agenda item on the Implementation of Part IV. The July meeting of the Committee could also discuss how the carrying out of the annual review on the Implementation of Part IV could be improved upon. It should also be borne in mind that the autumn review would take place against the background of what will have taken place in the Group of Three. Finally, there

would be a provision in the agenda of the Committee for any other matters which members might wish to raise and to permit discussion on any new ideas or new approaches on future work, some of which had already received mention at the present meeting.

14. The Group expressed the hope that it would be possible for Mr. Papić to preside at the next meeting of the Committee on Trade and Development, particularly in view of the fact that the two other members of the Group of Three would be absent from Geneva on that occasion.

15. Summing up, the Chairman said that he had gained the impression that it was the intention of developing countries to utilize the next meeting of the Committee on Trade and Development to support fully the preliminary report of the Group of Three and to make suggestions which would enable the Group to effectively carry out the next phase of their consultations with developed countries later in the year. He felt that it would be most useful if developing countries were to forward written comments to the Group of Three drawing attention to their specific problems and giving their views on the recommendations in the preliminary report. He expressed the hope that the recent OECD initiatives would not distract from work which was taking place in the GATT.