

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 20 JANUARY 1972

Prepared by the Secretariat

1. A meeting of the Informal Group of Developing Countries in GATT was held on 20 January 1972 under the Chairmanship of Mr. Peter S. Lai, Permanent Representative of Malaysia. The meeting was attended by the representatives of Algeria, Argentina, Brazil, Ceylon, Chile, Colombia, Cuba, Egypt, Gabon, India, Israel, Jamaica, Korea, Kuwait, Malaysia, Pakistan, Peru, Spain, Trinidad and Tobago, Yugoslavia and Zaire.

2. The Informal Group addressed itself to a number of matters of interest to developing countries, in particular those to be taken up at the forthcoming meetings of the Group on Residual Restrictions and the Committee on Trade and Development. The main points made during the discussion are recorded below.

### Group on Residual Restrictions

3. The Chairman said that in addition to continuing to seek possibilities for the removal of restrictions on the twenty-one products already examined, the Group on Residual Restrictions would examine further products identified as of export interest to developing countries. In another context, developing countries had drawn attention to certain difficulties they had experienced in regard to licensing procedures. At the forthcoming meeting of the Group, developing countries might wish to indicate that proposals for relaxing licensing procedures might be examined from the point of view of their possible application to products selected for consideration in the Group.

4. A number of delegations said that it was a matter of disappointment that the work of the Group on Residual Restrictions had not led to more rapid progress in bringing about elimination of restrictions. Although the Group of Three had formulated recommendations, both of a general nature and addressed to individual developed countries urging an early removal of the restrictions, no action had yet been taken by developed countries in this direction. As matters stood, it was in their view highly unlikely that any positive results would be achieved at the meeting of the Group. Developing countries should however continue to exercise pressure on developed countries and explore with them the reasons why action had not been taken to eliminate restrictions. Further, it might be helpful if political pressure could be brought to bear on developed countries in UNCTAD III for the elimination of these restrictions.

5. Speaking at the invitation of the Chairman, Mr. M.G. Mathur, Assistant Director-General, said that the two basic issues involved were, firstly, the elimination of the restrictions and secondly, the consideration of various possibilities to relax the rigour of some of these restrictions through the type of devices that had been recommended earlier by the Group. If the next meeting of the Group on Residual

Restrictions was to yield any positive results with respect to the items already examined or those which had been selected for examination, it would be necessary to seek a detailed explanation of the problems involved and of all the possibilities for alleviating some of the burden of the restrictions on the export trade of developing countries.

#### Multilateral consultations on vegetable oils and oilseeds

6. Attention of the Informal Group was drawn to COM.TD/W/155 setting out past actions and discussions in various bodies of GATT and elsewhere as far as trade problems relating to vegetable oils and oilseeds were concerned. It was recalled that at the last GATT session some developed countries declared their willingness to consider, as part of concerted action by developed countries, the general problem of tariff escalation on vegetable oils in relation to oilseeds. The representative of the United States had stated that his Government was prepared to consult with other developed countries to explore the possibilities for concerted action for trade liberalization in these products on a most-favoured-nation basis, and had proposed a standstill on fats and oils as a short-term measure. The Group of Three supported action in this direction and in his summing up of the GATT session the Chairman of the CONTRACTING PARTIES had stated that these suggestions should be pursued and the necessary initiative taken in the appropriate forum of GATT.

7. After some discussion, the Group agreed that at the next meeting of the Committee on Trade and Development, developing countries should support the establishment of machinery for multilateral consultations with which the developing countries should be associated.

#### Action on non-tariff barriers

8. With reference to item 7 of the annotated provisional agenda for the meeting of the Committee on Trade and Development, the Group discussed the question of terms of reference of an ad hoc group proposed to be established to consider priority action for the removal of non-tariff barriers for the benefit of developing countries, pending the commencement of multilateral negotiations of such barriers. After discussion it was agreed that the proposed ad hoc group should be given the following terms of reference:

(i) To review, in the light of discussions in relevant GATT bodies, the problems that have arisen in securing elimination of quantitative restrictions and other non-tariff barriers affecting exports of developing countries to developed countries, and to examine the possibilities of promoting priority action in favour of developing countries in respect of various types of non-tariff barriers identified in GATT through measures applied on a preferential basis.

(ii) To report to the Committee on Trade and Development with proposals and recommendations before the next session of the Committee.

9. As regards negotiations on non-tariff barriers among developing countries, several members suggested that this matter should be examined in the Informal Group in the first instance and, after having reached agreement on the techniques and modalities of the exercise, it could be entrusted to the Committee of Participating Countries. Consideration of the issues involved would be facilitated if the secretariat could prepare a note on work done on non-tariff barriers in other bodies, for instance in various regional economic commissions.

#### Work programme of the Group of Three in 1972

10. Ambassador Archibald (Trinidad and Tobago) said that the Group of Three had held a meeting with a view to developing its work programme for the current year. The Chairman of the Group of Three - Ambassador Smoquina - would present a short report to the Committee on Trade and Development on the subject. The Group of Three would in its future work ensure that follow-up action on the recommendations contained in the final report of the Group was taken in a practical manner, see to it that the interests of developing countries were adequately reflected in the work of the various bodies of GATT, and that major developed countries presently engaged in negotiations outside GATT were kept fully informed of the problems of developing countries. He expressed the hope that developing countries would take advantage of the consultation procedures adopted by the Committee on Trade and Development at its sixteenth session.

#### Article XIX

11. A member of the Group recalled that on various occasions in the Informal Group, as well as in the Committee on Trade and Development, his delegation had proposed that emergency measures applied on imports of particular products under Article XIX were prejudicial to the export interests of developing countries and that the exports of developing countries should be exempted whenever such measures were resorted to. His delegation was aware that the proposal involved certain legal problems, but given the political will such exemption was feasible in line with the provisions of Article XXXVII:3(c). Several members stated that they would support the proposal at the meeting of the Committee on Trade and Development. One member suggested that as it involved changes in Article XIX, it would be advisable if a small group were to be established to study the problems involved and to recommend how the Article might be modified so as to suit the interests of developing countries.

#### Other matters

12. The Chairman said that in order to secure more effective participation of developing countries in the various bodies of GATT, he intended to establish small groups which would be entrusted with particular problems of developing countries for their consideration. They would report to the Informal Group with proposals and recommendations that could be put forward in the relevant bodies of GATT for concrete action.