

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 22 MAY 1970

Prepared by the Secretariat

1. A meeting of the Informal Group of Developing Countries in GATT was held on 22 May 1970 under the Chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. The meeting was attended by the representatives of Argentina, Chile, Cuba, Greece, India, Indonesia, Israel, Korea, Kuwait, Malaysia, Nigeria, Peru, Trinidad and Tobago, Turkey, United Arab Republic, Uruguay and Yugoslavia.

2. The Informal Group had before it the annotated provisional agenda (COM.TD/W/119), for the resumed sixteenth session of the Committee on Trade and Development held on 26 May 1970, and had an exchange of views on the different subjects included in the agenda. The views expressed are summarized below:

Review of implementation of Part IV

3. One member of the Group said that according to the latest reports developed countries were nearing agreement on the introduction of a general scheme of preferences in favour of developing countries. Developing countries would be well advised to start thinking as to what would be the most suitable time for holding formal discussions in GATT concerning an appropriate legal framework for the introduction of the scheme. In this context it was pointed out that it might be achieved either (a) by means of a Protocol to the General Agreement, (b) a waiver, or (c) an appropriate Declaration adopted by the CONTRACTING PARTIES. As to the choice between these alternatives it had become clear at the twenty-sixth session of the CONTRACTING PARTIES that in view of the cumbersome procedures involved most delegations were not in favour of a Protocol. Instead the developed countries appeared to favour the waiver procedure. It was suggested that with a view to avoiding a weakening of the scheme as might result from the adoption of the waiver approach and to avoid the procedural difficulties that might presumably arise if the text of the General Agreement were to be modified by a Protocol, the solution that recommended itself as being in the interests of developing countries would be the adoption of a Declaration by the CONTRACTING PARTIES.

Special tariff problems

4. The Informal Group noted with satisfaction that a systematic study of tariff differentials with respect to products of particular interest to developing countries was well under way (COM.TD/W/122). It was pointed out that, apart from providing an overall view of the tariff escalation in developed countries presently faced by developing countries, the study might also be of importance in dealing, at the appropriate time, with some of the problems likely to arise in respect of products excluded from the general scheme of preferences. For instance, it should be possible to make use of the consultation procedures under Part IV of the General Agreement in order to find solutions to specific problems that might arise in this regard.

Import restrictions

5. One member of the Group recalled that the Joint Working Group on Import Restrictions had established an inventory of products of export interest to developing countries. As it was apparently not envisaged that that Group should continue its work it was suggested that the Council be requested to give attention to possible further procedures to bring remaining restrictions under more effective control with the aim to their early relaxation and elimination. Also, developing countries should ensure that the work started in the Joint Working Group, as it related to products of export interest to developing countries, would be effectively pursued in the Group on Residual Restrictions. That Group should be given specific guidelines to this effect by the Committee on Trade and Development.

Tropical products

6. The Group was informed that a Bill to eliminate duties on improved rubber was presently before the United States Congress. No particular difficulties were anticipated in its being passed. The view was expressed that once the United States had removed this tariff barrier the other developed countries would find it difficult to maintain duties on this product. Thus prospects for increased exports of improved forms of rubber might be expected to become better. The Informal Group noted that a meeting of the UNCTAD Permanent Group on Synthetics and Substitutes was scheduled for June/July at which time the question concerning tariff reclassification for improved forms of rubber was to be discussed. It was pointed out, therefore, that it would not be desirable to accept any suggestion to postpone the meeting of the Special Group on Trade in Tropical Products to a later period than early July.

7. In response to a question Mr. M.G. Mathur, Assistant Director-General, said that the problem of vegetable oils and oilseeds had received attention in the Committee on Trade and Development, in the Special Group on Trade in Tropical Products and in the Agriculture Committee. It was his hope that Group 2 of the Agriculture Committee which dealt with measures affecting imports would be able to look into the question of trade in vegetable oils and oilseeds in detail.

If Group 2 should fail to deal effectively with the matter, it would, of course, be open to the Special Group on Trade in Tropical Products to come back to it.

8. It was suggested by a member of the Group that it was unlikely that Group 2 of the Agriculture Committee would be able to achieve positive results as far as the problem of vegetable oils and oilseeds was concerned. He felt that if, indeed, no progress could be made in that Group, developing countries should exercise concerted pressure to have the matter transferred to the Special Group on Trade in Tropical Products for examination at its next meeting. He also suggested that a reference to the Special Session of the FAO/UNCTAD Study Group on oilseeds, oils and fats in London be added to document COM.TD/W/123.

United Nations International Tin Conference

9. Commenting on the outcome of the International Tin Conference, a member of the Group expressed the disappointment of the producing countries about the refusal of consuming countries to subscribe to the buffer stock mechanism.

Adjustment assistance measures

10. A member of the Group recalled the importance which developing countries attached to the question of adjustment assistance measures. This should be kept in mind in the context of the further examination of the problem of cotton textiles.

Other matters

11. Several members of the Group observed that with notable exceptions participation of the developing countries in the work of several bodies of GATT had been of a marginal character generally. They urged developing countries to make every endeavour to take more active and effective part in the work of the various GATT bodies, many of which were concerned with problems of vital interest to the developing countries.