

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 26 APRIL 1971

1. A meeting of the Informal Group of Developing Countries in GATT was held on 26 April 1971 under the chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. Present were representatives of Argentina, Brazil, Ceylon, Chile, Colombia, Cuba, Gabon, Greece, India, Indonesia, Israel, Republic of Korea, Malaysia, Nigeria, Pakistan, Peru, Spain, Trinidad and Tobago, Tunisia, Turkey, the United Arab Republic, Uruguay and Yugoslavia.

2. The Informal Group had an exchange of views on (a) the preliminary report of the Group of Three, and (b) matters related to the informal meeting of the CONTRACTING PARTIES scheduled for 28-30 April.

Report of the Group of Three (W(71)2)

3. Introducing the report of the Group of Three, Mr. Besa (Chile) said that it was a preliminary one and had been set out in two parts - the first giving a general assessment of the problems of developing countries together with a number of recommendations on specific points, and the second containing recommendations specifically addressed to individual developed countries. These recommendations were to be regarded as the barest minimum on which these countries should be in a position to take positive action. In view of the limited time available, it had not yet been possible for the Group to examine all the issues involved, much as it would have wished to do, and consequently the report as it now stood was not likely to give full satisfaction to all developing countries.

4. In response to a number of points raised, Mr. Besa explained that the report represented a common and agreed position of the members of the Group. The recommendations addressed to individual developed countries was a novel feature which should not be understood as committing these countries to act on these recommendations. The recommendation in paragraph 20 was based on the fact that in certain cases, the quotas opened by developed countries for various products of interest to developing countries had not been utilized to their maximum limits. Similarly in cases where import monopolies existed, developing countries were not always fully aware of procedures available for making use of the system. In formulating the recommendation in paragraph 39, the Group had had in mind the existence of obstacles and restrictions which had not been notified by developing countries. The assistance of the GATT secretariat could therefore be sought in establishing a comprehensive list of barriers affecting the export trade of developing countries. In regard to restrictions on industrial products (paragraph 11) it appeared that apart from the textile sector the problem was a residual one and the recommendation was accordingly in proportion to the magnitude of the problem. The suggestion to have a set of interpretative notes for

the invocation of Article XIX was in his view a matter for consideration by the CONTRACTING PARTIES themselves. If the Committee on Trade and Development considered it worthwhile that the Group of Three should continue its efforts, a second round of consultations with developed countries might be held where matters could be dealt with in greater depth.

5. In response to a question, Mr. Papic (Yugoslavia) said that the recommendation on page 7 of the report relating to cocoa, cocoa products and bananas, should be read in conjunction with paragraphs 30 and 32 where it had been recommended that developed countries should consider the possibility, as part of a concerted action, of eliminating the import duties on vegetable oils, coffee and coffee products, cocoa and cocoa products, tea and tea products within the context of the Generalized System of Preferences. The question of internal charges had however in the report been dealt with only in relation to cocoa, cocoa products and bananas. The reason was that developed countries had stated that, while demand for cocoa, cocoa products and bananas was relatively elastic, there seemed to be no similar response to price changes in the demand for the other tropical products, and that consequently elimination of internal charges on these products would not greatly benefit developing countries. Moreover, developed countries had not been very inclined to discuss their internal taxation systems.

Informal meeting of the CONTRACTING PARTIES

6. In response to a question concerning the conduct of business at the informal meeting, Mr. M.G. Mathur, Assistant Director-General, said that there would be an opening statement by the Chairman of the CONTRACTING PARTIES, followed by a short summary by the Director-General of various points relating to the work programme of the CONTRACTING PARTIES. The mornings would be devoted to plenary meetings with the afternoons reserved for group discussions and consultations as required. While there would be no documentation specially prepared for the informal meeting, the reports of the Industrial Committee, the Agriculture Committee, the Committee on Trade and Development, the Group of Three and the Joint Working Group would be available as reference documents. In response to a question concerning the interest of developing countries in the subjects in preparation for the next session of the CONTRACTING PARTIES, Mr. Mathur said that the report of the Group of Three had recognized that solutions to certain problems in the agricultural as well as industrial sectors might be found through multilateral negotiations which were being prepared.

7. Several members expressed the view that as there would be no new background documents for the informal meeting, the report of the Group of Three should form the basis for discussion of problems of developing countries on that occasion. The Chairman of the CONTRACTING PARTIES might specifically invite the representatives of developed countries to express their views on the report of the Group. The developing countries would be well advised to press for action on the recommendations which might hopefully lead to some action on the part of developed countries between now and the twenty-seventh session of the CONTRACTING PARTIES. One member pointed out that the recommendation contained in paragraph 14 of the report might serve as a point of departure to stimulate discussion on the extension

of the concept underlying the Generalized System of Preferences to cover also preferential treatment in regard to non-tariff barriers affecting products of export interest to developing countries.

8. It was agreed that the Group would meet again in connexion with the informal GATT meeting to review the situation in the light in particular of the reaction of developed countries to the report of the Group of Three.