

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 11 NOVEMBER 1971

Prepared by the Secretariat

1. A meeting of the Informal Group of Developing Countries in GATT was held on 11 November 1971 under the chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. The meeting was attended by the representatives of Algeria, Brazil, Chile, Cuba, Egypt, Greece, India, Israel, Ivory Coast, Jamaica, Korea, Pakistan, Peru, Senegal, Spain, Tunisia, Turkey, Yugoslavia and Zaïre.
2. The Group exchanged views on:
 - (a) the scope and application of the concessions exchanged in the first round of the trade negotiations among developing countries; and
 - (b) the agenda and arrangements for the twenty-seventh session of the CONTRACTING PARTIES.

Trade negotiations among developing countries

3. Representatives of a number of countries participating in the trade negotiations expressed satisfaction at the successful outcome of the first round of the negotiations. These negotiations were in effect complementary to the efforts of developing countries to promote trade among themselves at regional and sub-regional levels. Viewed against the recent developments in international trade, the results of the negotiations, though modest, constituted a significant first step towards self-help in the form of an expansion of trade among the developing countries themselves. They expressed the hope that countries who had not found it possible until now for various reasons to participate in the arrangements would soon be able to join in. They pointed out that the Protocol was open for accession by all developing countries and that paragraph 14 of the Protocol was, in particular, designed to facilitate accession by the least-developed among developing countries. Indeed, they would assure all developing countries that full account would be taken of their individual development, financial and trade needs as well as past trade developments for the purposes of accession to the agreement.

4. In response to questions relating to legal basis of the Protocol and the coverage of the negotiations, Mr. M.G. Mathur, Assistant Director-General, recalled that the question of the exchange of preferences among developing countries had been discussed in a sub-group of the Committee on Trade and Development several years ago. In 1966 the CONTRACTING PARTIES endorsed the conclusions reached by the Committee that the establishment of preferences among developing countries, appropriately administered and subject to the necessary safeguards, could make an important contribution to the expansion of trade among these countries and to the furthering of the objectives of the General Agreement. Among the underlying considerations was the rôle which such preferences could play in helping developing countries to find larger markets and to achieve economies of scale. It was noted that such preferences would be exchanged between developing countries in general and not only in the context of schemes of regional integration. It was further agreed that the establishment of such preferences should most appropriately be the subject of negotiations among developing countries, due account being taken of the different stages of economic development of individual countries. The CONTRACTING PARTIES agreed that arrangements would be made for the examination of proposals involving preferences which might result from the negotiations.

5. Preliminary discussions between developing countries began during the concluding phase of the Kennedy Round negotiations but could not be completed in time. After the conclusion of the Kennedy Round the Trade Negotiations Committee was established to prepare the basis for the negotiations among developing countries. At their twenty-fourth session, the CONTRACTING PARTIES took note of the establishment of the Trade Negotiations Committee of Developing Countries and welcomed the initiative taken by developing countries to explore consistently with their regional and sub-regional commitments the possibilities of an exchange of tariff and trade concessions directed towards the expansion of their mutual trade. At their twenty-fifth session the CONTRACTING PARTIES recalled the conclusions adopted on the subject at their twenty-third session and indicated their intention to look at the results of the negotiations in a constructive and forward-looking spirit. At their twenty-sixth session the CONTRACTING PARTIES reiterated this intention and noted the progress made in the work in this field. They also invited as many of those developing countries as possible which were not currently participating in this work to do so, in order that the negotiations could make the greatest possible contributions to the expansion of trade among developing countries.

6. In reply to questions concerning the form taken by the concessions negotiated, Mr. Mathur stated that the concessions exchanged so far related to tariffs. In a few instances certain indications relating to import treatment were given in the list of concessions. As regards further action needed to implement the concessions, it was evident that any tariff concessions applicable to some but not to all contracting parties would be a departure from

Article I and thus require a decision by the CONTRACTING PARTIES. The Preamble of the draft Decision contained in Spec(71)116 referred to the considerations which had inspired these negotiations and, in this connexion, paragraph 6 of the Preamble related to the accession of other developing countries; paragraph (a) provided for a waiver from paragraph 1 of Article I to the extent needed to allow the implementation of the concessions exchanged; paragraphs (b), (c) and (d) referred to notification of changes, consultations and the bringing of matters before the CONTRACTING PARTIES if no satisfactory solution was found; paragraph (e) provided for an annual review of the operation of these arrangements by the CONTRACTING PARTIES.

7. Members among countries participating in the negotiations pointed out that, although the negotiations had been limited to tariffs, non-tariff barriers were, in principle, not excluded. They expressed the hope that the Protocol as well as the draft Decision would be supported unanimously by all developing countries at the forthcoming session of the CONTRACTING PARTIES.

8. In response to further questions, Mr. Mathur explained that the language used in the draft Decision was similar to the one adopted in connexion with the General Scheme of Preferences which did not make specific mention of Article XXV, and to be adopted the Decision would need the same kind of majority support.

Agenda for the twenty-seventh session of the CONTRACTING PARTIES (L/3591)

9. Mr. Besa (Chile) informed the Group that attendance during the concluding three days of the session would be at a high level to discuss what was no doubt the most important item on the agenda, namely "Developments and Trends in International Trade and Their Implications for Future International Trade Policies and Trade Relations". The developing countries should be fully equipped to effectively participate in the discussion of this item with a view to ensuring that their interests were fully reflected in any decision or conclusion. He expressed the hope that all developing countries, whether participating in the trade negotiations among developing countries or not, would lend their unanimous support to the adoption of the Decision covering the arrangements. Further, in expressing their views on difficulties that had arisen on the international scene, developing countries should pay special attention to their particular problems as identified in the report of the Group of Three. Instead of going into generalities they should press for the implementation of the specific recommendations addressed to individual developed countries.

10. The Chairman recalled that at the recent meeting of the Committee on Trade and Development it was proposed that provision should be made for follow-up action on the work of the Group of Three to ensure that the recommendations and conclusions of the Group would be effectively implemented. To this end it had been proposed that consideration should be given to the question of maintaining in existence the Group of Three, which might also be given the task of following up the recommendations made in its report and of considering any other specific suggestions or problems relating to the implementation of Part IV.

11. Several members of the Informal Group who spoke supported the proposal that the Group of Three should remain in existence to follow implementation of its recommendations and as an organ for carrying out consultations on Part IV commitments. One member felt that some further thought should be given to the further rôle that the Group could play.