

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

LDC/M/89

20 January 1971

Special Distribution

MINUTES OF THE MEETING OF THE INFORMAL GROUP OF DEVELOPING COUNTRIES HELD ON 10 DECEMBER 1970

Prepared by the Secretariat

1. A meeting of the Informal Group of Developing Countries in GATT was held on 10 December 1970 under the Chairmanship of H.E. Mr. C.H. Archibald, Ambassador of Trinidad and Tobago. The meeting was attended by representatives of Argentina, Brazil, Chile, Colombia, the Democratic Republic of the Congo (Kinshasa), Gabon, Ghana, Greece, India, Israel, Ivory Coast, Korea, Republic of Malta, Peru, Trinidad and Tobago, Tunisia, Turkey, United Arab Republic, Uruguay and Yugoslavia.
2. The Chairman suggested that the Group might wish to exchange views on a number of matters, such as the implementation of the Conclusions of the twenty-sixth session, the operation of Part IV with particular reference to the world trade situation, and the timing of the next session of the CONTRACTING PARTIES, prior to the next meeting of the Committee on Trade and Development which was scheduled for 14 and 15 December. A provisional agenda for the session of the Committee had been circulated in COM.TD/W/132. It was a matter of concern that, although a number of trade problems of developing countries had been identified in various bodies of GATT for priority action, practically no progress had been made towards resolving them. It seemed that GATT was marking time owing to certain recent developments in trade policies of some of the major developed countries. In the circumstances developing countries would be well advised to press for an accelerated effort by developed countries to deal with these problems.
3. Speaking at the invitation of the Chairman, Mr. M.G. Mathur, Assistant Director-General, briefly mentioned the main points identified as of interest to the developing countries in the reports of the sub-groups of the Committee on Trade in Industrial Products. These covered such areas as valuation, licensing regulations, the use of quantitative restrictions, etc. The Joint Working Group had identified certain products of interest to developing countries where restrictions were being applied and in some instances had also mentioned the reasons put forward for the maintenance of the restrictions. As for the Tariff Study, after the basic documentation had been prepared certain suggestions had been put forward by the secretariat regarding the analysis of the data with a view to focussing on the possibilities for further tariff reductions. One specific point covered in the secretariat proposal was the question of tariff escalation on products of interest to the developing countries. There had been a suggestion that the documentation should

be amplified so as to enable a more analytical study of the effects of tariff changes on the flow of trade. The Industrial Committee was expected to take a decision at its next meeting as to how work might be continued.

The draft report of the Agriculture Committee reflected three broad approaches, namely, (a) work should continue on defining proposals for resolving basic problems involving agricultural support and the application of protective measures and export subsidies in agricultural trade; (b) the Agriculture Committee should try to see how the operation of the existing policies relating to trade in agricultural products might be improved; and (c) efforts should be made to seek specific solutions for limited and well-defined cases through appropriate procedures for consultations.

The Working Party on Border Tax Adjustments had taken note of the interests of developing countries in the elimination or reduction of tax adjustments in respect of products produced mainly in these countries. It had also noted that any conclusions reached by it in regard to further action in GATT on tax adjustment problems would not prejudice work in the Special Group on Trade in Tropical Products.

The Special Group on Trade in Tropical Products had suggested that the possibility of eliminating selective excise taxes on tropical products should be considered and that, where there were differential tax adjustments in respect of products exported by developing countries, the possibility of a downward adjustment of these differential rates should be examined.

4. Members of the Group expressed concern over the slow progress of work in various bodies of GATT, particularly in relation to the problems of developing countries. One member of the Group pointed out that the Group on Residual Restrictions had examined twenty-one products singled out for priority treatment but that this exercise had, on the whole, given very limited results. He suggested that the Group should be given a new mandate in order to enable it to deal also with items identified by the Joint Working Group that might lend themselves to positive action. The further recommendations of the Group might include the establishment of a time-table for the relaxation of restrictions.

5. Several members of the Group expressed serious concern over the failure by developed countries to implement the decisions of the twenty-sixth session and also with certain recent developments in the trade policies of some of these countries. Some members suggested that the secretariat should make an analytical study of these developments with a view to determining their effect on the trade of developing countries.

6. It was suggested by several speakers that a contact group, comprising the Chairman of the CONTRACTING PARTIES, the Chairman of the Council and the Chairman of the Committee on Trade and Development, should be established with a view to presenting for consideration by the Committee and the CONTRACTING PARTIES proposals in regard to the concrete action that might be taken to deal with the trade problems of developing countries.

7. In regard to the question of the date of the next session of the CONTRACTING PARTIES, some members felt that it should be held in accordance with the time schedule normally established for such meetings, while others hold the view that all the elements were not present to merit a session of the CONTRACTING PARTIES in the near future.

8. In conclusion, the Chairman said that, at the meeting of the Committee on Trade and Development, developing countries should insist on early action on their trade problems and, to this end, they should seek the establishment of a small, high-level group to present proposals. The secretariat should be asked to assist with documentation on the problems to which attention had been drawn.