REPORT ON THE 1987 CONSULTATIONS WITH GHANA, PAKISTAN, SRI LANKA, ISRAEL AND INDIA

1. The Committee on Balance-of-Payments Restrictions met on 21, 27 and 28 October 1987 under the chairmanship of Ambassador P.-L. Girard (Switzerland). It held consultations with Ghana, Pakistan and Sri Lanka in accordance with the simplified procedures for regular consultations on balance-of-payments restrictions with developing countries, approved by the Council on 19 December 1972 (BISD 20S/47) and the Declaration on Trade Measures Taken for Balance-of-Payments Purposes adopted by the CONTRACTING PARTIES on 28 November 1979 (BISD 26S/205). The Committee also held full consultations with Israel and India, in accordance with its terms of reference and the above-mentioned Declaration.

2. The Committee had the following documents before it:

**Ghana**
- Statement submitted by Ghana: BOP/276
- Secretariat background paper: BOP/W/109
- IMF: Recent Economic Developments dated 20 April 1987

**Pakistan**
- Statement submitted by Pakistan: BOP/273
- Secretariat background paper: BOP/W/110
- Reply to GATT Questionnaire on Import Licensing: L/5640/Add.25 and Suppl.1
- IMF: Recent Economic Developments dated 1 July 1987

**Sri Lanka**
- Statement submitted by Sri Lanka: BOP/274
- Secretariat background paper: BOP/W/111
- IMF: Recent Economic Developments dated 13 July 1987

**Israel**
- Basic document by Israel: BOP/275
- Secretariat background paper: BOP/W/112 and Add.1
- Notifications concerning Import Deposit Scheme: L/5855 and Addenda 1-3 and supplements
- Notification concerning Import Surcharge: L/5361
- IMF: Recent Economic Developments dated 15 May 1987

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India

Basic document by India BOP/272 and Corr.1
Secretariat background paper BOP/W/108
Reply to GATT Questionnaire on Import Licensing L/5640/Add.7/Rev.2
IMF: Recent Economic Developments dated 21 July 1987

Ghana, Pakistan, Sri Lanka

3. On the basis of the above documents, and taking into account paragraph 8 of the Declaration on Trade Measures Taken for Balance-of-Payments Purposes, the Committee reached the following conclusions:

Ghana

The Committee concluded that full consultations were not desirable and decided to recommend to the Council that Ghana and Sri Lanka be deemed to have fulfilled their obligations under Article XVIII:12(b) for 1987.

Sri Lanka

The Committee noted that the last full consultation with Pakistan had been held in January 1978. It noted with appreciation the steps which had been taken by Pakistan to reduce import barriers and the improvements which had occurred in Pakistan's balance-of-payments position. However, the current account balance still appeared to be fragile, partly due to the situation regarding inflows of remittances, and reserves were low. For these reasons, as well as the time elapsed since the last full consultation, the Committee concluded that a full consultation should be held during 1988, the exact date to be determined under the normal consultation procedures.

The representative of Pakistan took note of the statements made. Calling attention to paragraph 12 of the 1979 Declaration, he requested the Secretariat, in preparing its background paper, to give particular attention to the constraints facing Pakistan's exports. In this context, he mentioned particularly the cumulative effects on Pakistan's exports and investment possibilities of subsidy practices and domestic support programmes by developed countries, particularly in the fields of cotton and rice, and the adverse effects on textiles and clothing of restrictions under the MFA.

Israel

4. The Committee adopted its Report on the full consultation with Israel and agreed to transmit it to the Council (see BOP/R/170).
India

5. The Committee adopted its Report on the full consultation with India and agreed to transmit it to the Council (see BOP/R/168).

6. With reference to the adoption of the Report on the full consultation with India, a number of Committee members made reference to the procedures of the Committee on balance-of-payments consultations.