1. The Consultative Group of Eighteen held its sixteenth meeting on 14-16 October 1981 in Geneva. The Chairman was Mr. Arthur Dunkel, Director-General of GATT. Principal issues discussed were the current economic situation and its implications for trade policies, agricultural trade problems, and the proposal for a ministerial meeting, on which the Group made certain recommendations.

2. The Group reviewed economic and trade developments since its last meeting. Members based their discussion on a report\(^1\) by the secretariat which indicated a continuing slowdown in international trade, as well as persisting sectoral difficulties and trade tensions. They agreed with the report's analysis of the dangers created for the international economy by present trends. The Group reaffirmed that close co-operation in GATT and a determined resistance to protectionist pressures remained of the utmost importance.

3. In fulfilment of the responsibilities entrusted to it in 1980, the Group initiated a detailed discussion of agricultural trade in GATT. In this context, it reviewed the application to agricultural trade of the General Agreement and of the Codes negotiated during the Tokyo Round of multilateral trade negotiations. The Group also resumed consideration of the market situation and recent policy measures in the agricultural sector. Members agreed that there was need to give further attention, in the light of national agricultural policies, to the examination of problems affecting trade in agricultural products and of the relevant provisions of the GATT. The Group decided to continue discussion of this subject at its next meeting.

\(^1\)Published as a GATT press release (GATT/1295) on 18 September 1981.
4. The Group pursued its discussion of the proposal that the GATT Contracting Parties should envisage convening a ministerial meeting during 1982. Reviewing the background to this proposal, members noted the efforts made, through the multilateral trade negotiations, to strengthen the system of rights and obligations under the GATT. Since Ministers had last met under the aegis of GATT, in 1973, the world economy had encountered severe difficulties, and trade relations had come under increasing stress. The pattern of international trade had also altered significantly, a particular feature being the increasing rôle of developing countries, both as exporters and importers.

5. In these circumstances, the Group agreed, there was a need for the trading nations to review the current state of the multilateral trading system, and to consider how it might be improved and made more effective. A ministerial meeting would also meet the need to review the implementation of the results of the Tokyo Round negotiations and to deal with issues presently under discussion in GATT, and to define GATT's tasks for the future.

6. The Group therefore unanimously recommended that the Contracting Parties consider, at their Session next month, convening their Session in November 1982 at ministerial level, and that they request the Council to make the necessary arrangements to this end. The Group also expressed the view that the Session should as usual be open to observers. All members stressed the importance of timely and adequate preparations for the ministerial Session.

7. The next meeting of the Consultative Group of Eighteen will take place on 10-12 February 1982.