GENERAL AGREEMENT ON TARIFFS AND TRADE

TRADE BETWEEN FRANCE AND YUGOSLAVIA

In connexion with the trade agreement recently signed between France and Yugoslavia the French authorities point out that the agreement is characterized by three new features. First, goods imported in both directions will be effected on the basis of multilateral procedures; bilateral quotas now become an exception to the general practice. Secondly, from now on the exchange of goods between France and Yugoslavia will take place under the liberalization régime which is accorded by France to the countries which are contracting parties to GATT. Thirdly, henceforth payments will not be made under a bilateral agreement, but in French francs or in convertible currencies.

It will be recalled that at the seventeenth session, in November 1959, the Contracting Parties, under the terms of the Declaration of association with the GATT, held their first annual review of the "development of mutual relations between Yugoslavia and the other parties (to the Declaration), as well as the possibilities of further progress towards the full application of the General Agreement". The consultation with Yugoslavia was undertaken in a working party which, in its report, stated that considerable progress had been made, or is planned, by Yugoslavia towards a trading system under which Yugoslavia will be able to move into closer association with the GATT. The action recently taken by France, as described above, is a step forward in that direction.

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