Sub-Group IV-C
(Miscellaneous Items)

RELATIONS WITH NON-CONTRACTING PARTIES

An informal group of the Sub-Group has considered the proposal by the South African delegation for the inclusion in the Agreement of a new article containing a provision requiring contracting parties not to enter into any new commercial agreement with a non-contracting party which precludes the latter from according to other contracting parties any benefit provided for by such agreement (Spec/25). The group proposes the following paragraph for inclusion in the Working Party's report:

"The discussion of the proposal by the South African delegation for a new article on relations with non-contracting parties showed that the majority of the members of the Working Party was not in favour of the inclusion of such a new article in the Agreement. The South African delegation, accordingly withdrew its proposal on the understanding which was generally accepted that, without the addition to the Agreement of the new article proposed, a contracting party could properly invoke the provisions of Article XXIII in respect of injury to its trade resulting from any new commercial agreement which explicitly precludes a non-contracting party from according to that contracting party any benefit provided for in that agreement."