GATT CONSULTATIONS ON IMPORT RESTRICTIONS
DURING THE FOURTEENTH SESSION

The CONTRACTING PARTIES to GATT have just concluded consultations with France, New Zealand, the Union of South Africa and the United Kingdom, on the import restrictions which these countries apply on balance-of-payments grounds. Under the GATT such consultations are held regularly and the purpose is to provide an opportunity to discuss whether there is a continued need for a country to maintain the restrictions and to explore measures which could be taken by the country to create conditions in which restrictions could be reduced or eliminated. The IMF participated in these consultations.

In the consultations just held a frank exchange of views took place on various aspects of the restrictions including problems faced by the countries concerned and the prospects for their future balance-of-payments position. Reference was also made to the recent return to external convertibility of currencies and the general view of the CONTRACTING PARTIES is that with the bulk of world trade now being conducted on a convertible currency basis there is a unique opportunity for the achievement of the world-wide system of non-discriminatory trade on a multilateral basis which the CONTRACTING PARTIES sought when they created the GATT.

South Africa, which applies restrictions but not discrimination reaffirmed its policy directed towards the complete elimination of restrictions. New Zealand, which is facing serious difficulties in its external payments, also reaffirmed its policy directed towards the complete elimination of its restrictions and discrimination. France stated that the Government is currently studying measures of further liberalization for products which so far have not been free for importation from all countries and that some measures may be put into force in the near future. The United Kingdom reiterated its intention to proceed with the elimination of controls on imports from dollar sources and stated that such measures would be announced shortly.

Note: The consultation with the United Kingdom was completed on 28 May. On the same day the Government announced that controls on the import of many consumer goods from the dollar area are to be removed. Details of these measures have been reported in the press on 29 May.