GENERAL AGREEMENT ON TARIFFS AND TRADE

Working Party on Yugoslavia

RELATIONS BETWEEN THE CONTRACTING PARTIES AND YUGOSLAVIA

Draft Decision prepared by the Executive Secretary on the basis of the discussions in the Drafting Group

The CONTRACTING PARTIES

CONSIDERING that the Government of Yugoslavia has stated that it desires to enjoy the benefits and advantages of the General Agreement on Tariffs and Trade and with this in view to undertake as soon as possible the obligations under the General Agreement and to seek accession pursuant to Article XXXIII;

CONSIDERING that the Government of Yugoslavia, however, is not at present in a position to assume all the obligations involved in accession to the General Agreement;

NOTING the desire of the Government of Yugoslavia to develop its existing policies so as to enable it increasingly to assume the full obligations of the General Agreement and thus to create a basis for the consideration of an application for accession under Article XXXIII; and

DESIRING meanwhile to establish closer trading relations with Yugoslavia on a reciprocal and mutually advantageous basis:

DECIDE

(i). To open the following Declaration for signature by Yugoslavia and by contracting parties to the General Agreement.

DECLARATION ON RELATIONS BETWEEN
THE CONTRACTING PARTIES AND
THE GOVERNMENT OF YUGOSLAVIA

I.

THE GOVERNMENT OF YUGOSLAVIA HEREBY DECLARES

1. (a) that it will take as a basis for its commercial relations with the signatories to this Declaration the objectives of the General Agreement and to the extent compatible with its current trading system will apply the provisions of the General Agreement;

(b) that it recognizes that the development of mutually advantageous trading relationships depends upon the establishment of effective reciprocity of trading conditions and opportunities.

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2. (a) that it will give sympathetic consideration to any representations which may be addressed to it by any other signatory to this Declaration concerning the implementation of the undertaking contained in paragraph 1 above and will be prepared to enter into consultations concerning such representations;

(b) that it will seek the opinion and advice of the CONTRACTING PARTIES where such consultations do not result in a satisfactory settlement being reached;

(c) that it will take part in any discussions which the CONTRACTING PARTIES might initiate when they are called upon by another signatory to give an opinion or advice on the grounds that bilateral consultations undertaken at the request of the said signatory had not resulted in a satisfactory settlement being reached;

3. that it will endeavour, in the development of arrangements affecting its commercial policies, to move progressively toward a position in which it can assume and give effect to the full obligations of the General Agreement and will be prepared to examine each year, in consultation with the CONTRACTING PARTIES, progress achieved in this direction.

II.

THE CONTRACTING PARTIES TO THE GENERAL AGREEMENT, SIGNATORIES TO THE PRESENT DECLARATION, HEREBY DECLARE:

1. (a) that they will take as a basis for their commercial relations with Yugoslavia the objectives of the General Agreement;

(b) that, to the extent that Yugoslavia, pursuant to paragraph 1 of Part I above, effectively accords the treatment provided for in the General Agreement, they will accord equivalent treatment to Yugoslavia in order to achieve an equitable balance of imports and obligations;

2. (a) that they will give sympathetic consideration to any representations which may be addressed to them by the Government of Yugoslavia concerning the implementation of the undertaking contained in paragraph 1 above and will be prepared to enter into consultations concerning such representations;

(b) that they will seek the opinion and advice of the CONTRACTING PARTIES where such consultations do not result in a satisfactory settlement being reached;

(c) that they will take part in any discussions which the CONTRACTING PARTIES might initiate when called upon by Yugoslavia to give an opinion or advice on the grounds that bilateral consultations undertaken at the request of Yugoslavia had not resulted in a satisfactory settlement being reached;
3. that they will request the CONTRACTING PARTIES
   (a) to take note of this Declaration;
   (b) to invite the Government of Yugoslavia to take part in the work of the
       CONTRACTING PARTIES; and
   (c) to undertake the functions set out in paragraphs 2(b) and (c) above.

4. that they will be ready to examine with Yugoslavia each year the matters
   referred to in paragraph 3 of Part I above.

III.

This Declaration shall be opened for signature by Yugoslavia and by the
contracting parties to the General Agreement when it has been approved by the
CONTRACTING PARTIES by a two-thirds majority. This Declaration shall enter
into force when it has been signed by Yugoslavia and a number of contracting
parties representing no less than two-thirds of the governments which are at
present parties to the General Agreement and the territories of which account
for \( \frac{2}{3} \) per cent of the total external trade of the territories of the
contracting parties. This Declaration shall remain in force for a period of
three years from the day upon which it enters into force. It shall be open
to the signatories to this Declaration to extend the period of validity of this
Declaration if they so agree, provided however that the CONTRACTING PARTIES
shall renew by a decision taken by a two-thirds majority the arrangement set
out in paragraph 3 of Part II above.

IV.

The Government of Yugoslavia or any other government signatory to this
Declaration shall be free to withdraw from this arrangement subject to sixty
days written notice being given to the Executive Secretary of the CONTRACTING
PARTIES to the General Agreement. If Yugoslavia should withdraw from this
arrangement, the Declaration shall lapse and any arrangements made by the
CONTRACTING PARTIES shall cease to be valid. If a contracting party which is
a signatory to this present Declaration should withdraw from the Agreement,
the sole effect of such withdrawal shall be to terminate the undertakings
entered into by such signatory in respect of Yugoslavia and to terminate the
undertakings entered into by Yugoslavia in respect of such signatory under
this Declaration.

(ii) To invite the Government of Yugoslavia to participate in sessions of
    the CONTRACTING PARTIES and of subsidiary bodies established by the CONTRACTING
    PARTIES; and

(iii) To accept such functions as are necessary for the operation of the
     Declaration after it has entered into force in accordance with the provisions
     of Part III thereof.

This Decision shall take effect when approved by no less than two-thirds
of the contracting parties and shall continue in effect subject to the pro-
visions of Parts III and IV of the Declaration.