CONSIDERING:

1. That the Governments of India, the United Arab Republic and Yugoslavia have notified the CONTRACTING PARTIES that they have concluded a Trade Expansion and Economic Co-operation Agreement (hereinafter referred to as the "Agreement"), dated 23 December 1967, and effective 1 April 1968, the stated objectives of which are to strengthen mutual economic co-operation, to increase trade exchanges between the three countries (hereinafter referred to as the "participating States") and to contribute to the development of international trade;

2. That a principal aim of the CONTRACTING PARTIES is promotion of the trade and export earnings of developing countries for the furtherance of their economic development; (and that, in pursuit of this aim, Part IV of the General Agreement is specifically devoted to Trade and Development);

3. That developing countries have been encouraged by the CONTRACTING PARTIES to explore the possibility of negotiating a multilateral exchange of tariff concessions among developing countries, and that the Trade Negotiations Committee for Developing Countries is actively engaged in the preparation of negotiations between these countries directed to this end;

4. That the participating States have drawn attention to their intent:

   (a) To create to a maximum extent new and additional trade possibilities especially in non-traditional products, and to avoid undue injury to the trading interests of other contracting parties;
(b) To seek the extension of the concessions embodied in the Agreement to all other developing countries by appropriate negotiations and to integrate these concessions, if possible, within the framework of multilateral arrangements elaborated within the Trade Negotiations Committee for Developing Countries which will be reported to the CONTRACTING PARTIES for their consideration in due course;

(c) To adapt or modify the Agreement as may be appropriate in the event of adoption of a general multilateral scheme of trade and economic co-operation among developing countries.

5. That the participating States have declared their readiness to consult with any contracting party which considers its trade to be adversely affected by the operation of the Agreement, and to report to the CONTRACTING PARTIES concerning developments under the Agreement.

AND TAKING NOTE:

That the Agreement accords to certain goods originating in the territories of participating States upon importation into the territories of other participating States advantages with respect to customs duties which are not accorded to like products originating in the territories of other contracting parties, and that the Agreement may be modified or extended by mutual agreement;

AND RECOGNIZING:

That it is not possible at the present time to assess fully the implications of the Agreement in terms of its stated objectives and its effects on the trade of other contracting parties.

The CONTRACTING PARTIES (Acting under the provisions of Article XXV:5) (Acting under the appropriate provisions of the General Agreement)

DECIDE:

1. That notwithstanding the provisions of Article I:1 of the General Agreement, the three participating States may implement the Agreement, subject to the following conditions and procedures:
(a) The participating States shall consult with any contracting party which considers its trade to be adversely affected by the operation of the Agreement.

(b) The participating States shall report on any proposed modification in the scope or provisions of the Agreement and upon request consult with the CONTRACTING PARTIES thereon.

(c) This Decision shall be reviewed at the twenty-sixth session, the CONTRACTING PARTIES on the basis of a report by the participating States on the operation of the Agreement, with a view to deciding on its extension, modification or termination, as may be appropriate, taking account in particular of progress achieved in the negotiations conducted within the framework of the Trade Negotiations Committee of Developing Countries and of the contribution of the Agreement to the objectives set out above. In case of extension or modification of the Decision, the operation of the Agreement shall be subject to annual review.

2. That this Decision shall not be construed as affecting any right of any contracting party under any provision of the General Agreement.