

## REPORT (2000) OF THE COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS

1. This report has been prepared in pursuance of the Procedures for an Annual Overview of WTO Activities and for Reporting under WTO (WT/L/105).
2. The Committee met on 4 and 5 May 2000 to hold consultations with Bangladesh and Pakistan.
3. The Committee, consulting with Bangladesh for the first time under "regular" procedures, decided to suspend consultations on the understanding that, with technical assistance from the Secretariat, Bangladesh would notify a comprehensive phase-out plan for the removal of the remaining balance-of-payments restrictions by December 2000 and resume consultations shortly thereafter.<sup>1</sup>
4. In the consultations with Pakistan, postponed from November 1999, the Committee accepted a commitment by Pakistan to present a full notification regarding the status of implementation of its phase-out plan by the end of June, and any other measures taken for balance-of-payments purposes. On this basis, the Committee decided to suspend the meeting until September.<sup>2</sup>
5. The Committee met again on 18 September 2000 to consult with the Slovak Republic and Romania. In view of their adherence to their respective phase-out schedules, it had been agreed in May that the consultations would be held without the full set of documentation.<sup>3</sup>
6. Members congratulated the Slovak Republic on adhering to its phase out schedule and the elimination of its surcharge by the end of the year. The Committee welcomed the significant improvement in the external situation and encouraged the continuation of the stabilization program. The Committee agreed that the Slovak Republic was in full conformity with its obligations under Article XII of GATT 1994.<sup>4</sup>
7. The Committee commended Romania for its macroeconomic performance and encouraged it to continue with its stabilization program. Members welcomed Romania's adherence to the phase-out schedule and appreciated that, in spite of existing conditions, it would terminate the import surcharge by the end of the year. The Committee agreed that Romania was in full conformity with its obligations under Article XII of GATT 1994.<sup>5</sup>
8. Under "Other Business", the Chairman introduced a communication from Pakistan, which stated that, due to unavoidable circumstances, it was not possible to resume consultations as scheduled on 25 September 2000 and requested that consultations be postponed until the second half

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<sup>1</sup> WT/BOP/R/50, 6 June 2000.

<sup>2</sup> WT/BOP/R/51, 14 June 2000.

<sup>3</sup> WT/BOP/R/49, 25 May 2000.

<sup>4</sup> WT/BOP/R/52, 9 October 2000.

<sup>5</sup> WT/BOP/R/53, 9 October 2000.

of November 2000.<sup>6</sup> The Chairman agreed to consult with a view to rescheduling the consultations as soon as possible, but no later than the second half of November.<sup>7</sup>

9. The Committee resumed consultations with Pakistan on 20 and 21 November. The Committee welcomed Pakistan's commitment to the principle of liberal trade. Members expressed appreciation for Pakistan's decision to implement its existing phase out plan, in spite of the existing fragility of the balance-of-payments situation in Pakistan which the Committee had recognized at its May 2000 meeting. The Committee took note of Pakistan's commitment to remove of the first tranche of balance-of-payments restrictions within the next two weeks and remove in two tranches all the remaining restrictions by the end of June 2001 and 2002, respectively, in accordance with the scheduled phase out; on this understanding, the Committee concluded that Pakistan was in conformity with its obligations under Article XVIII:B and the Understanding on the Balance of Payments Provisions of the GATT 1994. Members noted that Pakistan was willing to accelerate its phase out plan should market access for its exports, and the sustainability of its balance-of-payments, improve.<sup>8</sup>

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<sup>6</sup> WT/BOP/19, 30 August 2000.

<sup>7</sup> WT/BOP/R/54, 9 October 2000.

<sup>8</sup> WT/BOP/R/56 (forthcoming)