

**IMMEDIATE
ATTENTION**

MASTER FILES
ROOM C-525

0422

EBD/94/198

December 16, 1994

To: Members of the Executive Board
From: The Secretary
Subject: Fund/WTO Relations

In the attached memorandum, the Managing Director has outlined a proposal concerning relations between the Fund and the new World Trade Organization (WTO) before cooperation arrangements can be agreed.

In the absence of objection from an Executive Director by noon on Wednesday, December 21, 1994, the proposal by the Managing Director will be deemed approved, and it will be so recorded in the minutes of the next meeting thereafter.

The staff of the Legal and Policy Development and Review Departments will be available in the Committee Room (12-120) on Tuesday, December 20 at 11:00 a.m. to answer any questions that Directors or staff in their offices may have on this matter.

Att: (1)

Other Distribution:
Department Heads



Office Memorandum

December 16, 1994

To: Members of the Executive Board

From: The Managing Director

Subject: Fund/WTO Relations

Executive Directors will recall that, under Other Business at the conclusion of yesterday's Board meeting, I raised a matter concerning relations between the Fund and the new World Trade Organization (WTO), which will come into existence on January 1, 1995.

In the attached letter, the Chairman of the GATT Committee on Balance of Payments Restrictions recognizes that there is likely to be a period between the establishment of the WTO and agreement on a framework for cooperation between the WTO and the Fund. He has proposed that, while continuing to participate in consultations with the GATT Committee on Balance of Payments Restrictions, the Fund would also participate in consultations with the WTO Committee on Balance of Payments Restrictions, according to the same procedures that govern its participation in the GATT Committee. It should be noted that the consultations with the GATT Committee involve measures taken for BOP reasons relating to trade only in goods; the consultations with the WTO Committee will involve measures relating to trade in both goods and services.

I would hope that Directors could respond favorably to this proposal.

Attachment

ACCORD GENERAL
SUR LES TARIFS DOUANIERS
ET LE COMMERCE



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SOBRE ARANCELLOS ADUANEROS
Y COMERCIO

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Référence: REL/408

28 November 1994

Dear Mr. Taplin,

I refer to the existing procedures for collaboration between the GATT and the IMF in relation to the work of the Committee on Balance-of-Payments Restrictions.

I understand that the broader question of identifying and putting in place suitable avenues for cooperation and interaction between the IMF and the WTO may be addressed by the two Institutions in the months ahead, as envisaged in the Agreement establishing the latter. In the interim, I propose, on a practical and *ad hoc* basis, that from the entry into force of the WTO, the arrangements currently in place with the GATT will be continued and, as appropriate, extended to balance-of-payments matters in the area of services.

Yours sincerely,

Peter Witt
Chairman
Committee on Balance-of-Payments
Restrictions

Mr. Grant B. Taplin
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