

4. The Executive Director shall present an annual report to the Council on the manner in which the provisions of this Article are being observed.

CHAPTER XI - PROCESSED COCOA

Article 54

Processed Cocoa

1. The needs of developing countries to broaden the base of their economies through, *inter alia*, industrialization and the export of manufactured products—including cocoa processing and the export of cocoa products and chocolate—are recognized. In this connexion, the need to avoid serious injury to the cocoa economy of importing and exporting members is also recognized.

2. If any member considers that there is a danger of injury to its interest in any of the above respects, that member may consult with the other member concerned with a view to reaching an understanding satisfactory to the parties concerned, failing which the member may report to the Council, which shall use its good offices in the matter to reach such understanding.

CHAPTER XII - RELATIONS BETWEEN MEMBERS AND NON-MEMBERS

Article 55

Limitation of Imports from Non-Members

1. Each member shall limit its annual imports of cocoa produced in non-member countries, other than imports of fine or flavour cocoa from exporting countries listed in Annex C, in accordance with the provisions of this Article.

2. Each member undertakes for each quota year:

(a) not to permit the import of a total quantity of cocoa produced in non-member countries as a group which is in excess of the average quantity imported from them as a group in the three calendar years 1970, 1971 and 1972;

(b) to reduce by half the quantity specified in (a) when the indicator price falls below the minimum price, and to maintain this reduction until the level of quotas in effect reaches that provided for in paragraph 2 (a) of Article 34.

3. The Council may by special vote suspend in whole or in part the limitations under paragraph 2. The limitations in paragraph 2 (a) shall not in any event apply when the indicator price of cocoa is above the maximum price.

4. The limitations under paragraph 2 (a) shall not apply to cocoa purchased under *bona fide* contracts concluded when the indicator price was above the maximum price, nor those in 2 (b) to cocoa purchased under *bona fide* contracts concluded before the indicator price fell below the minimum price. In such cases the reductions shall, subject to the provisions of paragraph 2 (b), be applied in the following quota year unless the Council decides to waive the reductions or to apply them in a subsequent quota year.

5. Members shall inform the Council regularly of the quantities of cocoa imported by them from non-members or exported by them to non-members.

6. Any imports by a member from non-members in excess of the quantity which it is permitted to import under this Article shall be deducted from the quantity which such member would otherwise be permitted to import in the next quota year, unless the Council decides otherwise.

7. If a member on more than one occasion fails to comply with the provisions of this Article, the Council may by special vote suspend both its voting rights in the Council and its right to vote or to have its votes cast in the Executive Committee.

8. The obligations set out in this Article shall not prejudice conflicting bilateral or multilateral obligations assumed by members with respect to non-members before the entry into force of this Agreement, provided that any member which has assumed such conflicting obligations shall fulfil them in such a way as to attenuate as much as possible the conflict between those obligations and the obligations set out in this Article, that it shall take steps as promptly as possible to reconcile those obligations and the provisions of this Article, and that it shall describe to the Council in detail the nature of those obligations and the steps it has taken to attenuate or eliminate the conflict.

Article 56

Commercial Transactions with Non-Members

1. Exporting members undertake not to sell cocoa to non-members on terms commercially more favourable than those which they are prepared to offer at the same time to importing members, taking into account normal trade practices.

2. Importing members undertake not to buy cocoa from non-members on terms commercially more favourable than those which they are prepared to accept at the same time from exporting members, taking into account normal trade practices.

3. The Council shall periodically review the operation of paragraphs 1 and 2 and may require members to supply appropriate information in accordance with Article 57.

4. Without prejudice to the provisions of paragraph 8 of Article 55, any member which has reason to believe that another member has not fulfilled the obligation under paragraph 1 or 2 may so inform the Executive Director and call for consultations under Article 61, or refer the matter to the Council under Article 63.

CHAPTER XIII - INFORMATION AND STUDIES

Article 57

Information

1. The Organization shall act as a centre for the collection, exchange and publication of:

(a) statistical information on world production, sales, prices, exports and imports, consumption and stocks of cocoa; and

(b) in so far as is considered appropriate, technical information on the cultivation, processing and utilization of cocoa.

2. In addition to information which members are required to furnish under other Articles of this Agreement, the Council may require members to furnish such information as it considers necessary for its operations, including regular reports on policies for production and consumption, sales, prices, exports and imports, stocks and taxation.

3. If a member fails to supply, or finds difficulty in supplying, within a reasonable time, statistical and other information required by the Council for the proper functioning of the Organization, the Council may require the member concerned to explain the reasons therefor. If it is found that technical assistance is needed in the matter, the Council may take any necessary measures.

4. The Council shall at appropriate times not less than twice a year publish estimates of production of cocoa beans and grindings for the current quota year.

Article 58

Studies

The Council shall, to the extent it considers necessary, promote studies of the economics of cocoa production and distribution, including trends and projections, the impact of governmental measures in exporting and importing countries on the production and consumption of cocoa, the opportunities for