FOURTH INSTALMENT OF KENNEDY ROUND CUTS

The fourth of the five annual instalments of worldwide tariff cutting in accordance with the Kennedy Round agreements in GATT will take place on 1 January 1971.

The 1967 Geneva Protocol, which embodies the results of the Kennedy Round negotiations, lays down that the tariff concessions exchanged during the negotiations are to be put into force in five equal stages, on 1 January of the years 1968-72. (Some countries chose an alternative method for the first two cuts, and made a double reduction between 1 January and 1 July 1968.) Four fifths of the concessions agreed upon during the negotiations will therefore be in force with effect from New Year's Day.

Five countries, however, have already completed, or virtually completed, their scheduled tariff reductions. Argentina put its Kennedy Round reductions into force in 1967, followed by Iceland in 1968, Canada and Ireland in 1969, and Switzerland in 1970. While the circumstances which prompted their decisions varied, an aim was generally to reduce the price of imports, and thus to help counter inflationary pressures.

Most of the participants in the Kennedy Round also put into force ahead of schedule many tariff reductions which were of particular interest to developing countries.

The Kennedy Round negotiations of 1964-67, by far the most wide-ranging trade negotiations ever undertaken, involved some fifty countries. The concessions exchanged affect trade valued in 1967 at over $40 billion annually, and have been estimated to involve for the main trading nations, an average reduction of about one third in the level of tariffs on industrial goods.