"GATT Activities in 1976", published today, gives a detailed account of developments in the multilateral trade negotiations (the Tokyo Round), as well as comments on international trade relations in a difficult year during which governments were challenged by strong protectionist pressures.

The report also describes many other activities of GATT related to its two basic concerns of opening up new opportunities for world trade and of overcoming problems that may threaten international trade relations. Among these activities are efforts to promote the export earnings of developing countries, the so-called Multifibre Arrangement regulating world trade in textiles, consultation on emergency action and temporary import restrictions made necessary by balance-of-payments difficulties and conciliation and settlement of disputes.

Most of the difficult political choices in the Tokyo Round lie ahead.

The report says that "the multilateral trade negotiations made substantial progress in 1976, and in the field of tropical products some first concrete results were achieved at the end of the year". It notes that this was the second year of active negotiations; although the Tokyo Round was officially launched in 1973, the negotiating groups were set up only in February 1975, when all the major participating governments were fully equipped with the necessary mandate or authority. "A great deal of work was accomplished in the negotiating groups, and in several cases the participants have moved beyond examination of the various issues at stake to line-by-line negotiations on draft agreements."

1 "GATT Activities in 1976" is available in English, French and Spanish editions and may be ordered from booksellers or directly from the GATT secretariat, Villa Le Bocage, Palais des Nations, 1211 Geneva 10. Price US$5.- or Sw F 12.-.
"It remains true to say, however, that most of the difficult political choices lie ahead. In some instances, agriculture being outstanding among them, no agreed basis for negotiation has yet been reached. Progress in 1977 will demand a determined and concerted effort - and some fresh thinking - by the participating countries. It is to be hoped that they will be helped in this by the gradual improvement in the economic climate."

Imaginon in international trade in 1976, but no room for complacency

The GATT report notes that "international trade took a marked turn for the better in 1976, recovering quite sharply from the setback in the previous year, when it had suffered its first significant reduction in volume since World War II. The recovery began in the latter part of 1975, and continued in the first half of 1976, but levelled off in volume thereafter".

It adds, however, that "there can be no room for complacency about trade prospects. The recovery in world commodity output in 1976 was only half as rapid as that in trade, and unemployment levels are generally high. In 1977, as in 1976, many governments will formulate their trade policies against a background of continuing domestic unemployment, inflation and large payments imbalances".

Protectionist measures far fewer than might have been feared

"Economic difficulties such as are now being experienced inevitably give rise to severe protectionist pressures. On the whole, it can still be said that these pressures are being successfully resisted", the report says. Recording a number of instances in which governments felt it necessary to take trade-restricting actions, it notes: "some, such as the widespread difficulties in international trade in beef, were of considerable significance. In the light of the worldwide economic circumstances, however, they may be judged to have been far fewer, and of lesser scope, than might have been feared. Governments have stood remarkably firm in their resolve to keep open the international trading system. This resolve was more severely tested in 1976 than in any other year since the General Agreement on Tariffs and Trade was established a generation ago, and as 1977 opens, the pressures to limit imports or subsidize exports are still very strong. There is reason for satisfaction at the way in which governments have continued to accept their common responsibility to prevent a general relapse into protectionism from which the whole world would suffer".