GATT ACTIVITIES IN 1978 AND RESULTS OF THE MULTILATERAL TRADE NEGOTIATIONS

Annual Report on GATT Work Published

The near-completion of the Tokyo Round multilateral trade negotiations, and continued stress in international trade relations, are the dominant themes of GATT Activities in 1978, published today.

The report, published by the GATT secretariat somewhat later than usual in order to include a description of the Tokyo Round agreements reached in April 1979, also describes many specific trade problems outside the negotiations which were brought to GATT for discussion and solution during 1978.

Tokyo Round agreements

On the results achieved to date in the Tokyo Round negotiations, GATT Activities in 1978 notes that eleven major multilateral agreements have so far been reached. "Certain among them will make important changes in some of the ground-rules of international trade, making them clearer and more predictable, and giving explicit and permanent recognition to the special needs of developing countries. Others should open substantial new opportunities for the growth of world trade by reducing or regulating various non-tariff measures which distort or block trade. Tariff negotiations,

1"GATT Activities in 1978" is available in English, French and Spanish editions and may be ordered from booksellers or directly from the GATT secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21. Price US$6 or Swiss francs 12.

MORE
almost completed, will result in cuts in the import duties of the main industrialized countries comparable with those achieved in the Kennedy Round, the most successful previous tariff negotiation. One major issue, that of safeguards, remains to be settled."

"In certain areas", the secretariat report states, "the results fall short of what was hoped for - one example is the very limited progress in removing specific quantitative restrictions. Developing countries, especially, feel that their concerns received less attention than they deserved. The Tokyo Round agreements have provided a major overhaul of some fundamental rules of the world trading system, and a highly significant lowering of tariff and non-tariff barriers to international trade. They leave plenty of business for the future. But it is a key feature of the multilateral agreements reached that they provide the machinery for continuing consultation and negotiation in each of the areas concerned, so that it will be possible to build in the coming years on what has so far been achieved."

Looking ahead, the report says that first priority for GATT will be to complete and carry into effect the Tokyo Round. This will require further negotiations, legislative approval in some participating countries, and decisions on how to incorporate the agreements reached into the framework provided into the General Agreement on Tariffs and Trade. Organizational machinery will have to be set up to operate the agreements, most of which come into effect in January 1980.

A detailed account of the point reached in the Tokyo Round negotiations is given in Chapter II of "GATT Activities in 1978". (N.B.: Most of Chapter II, apart from its introductory section, has already been published as press release GATT/1240 of 12 April 1979.)

Another high priority, the report says, will be to launch a new round of trade negotiations in GATT to enlarge the membership and product coverage of the inter-regional preferential arrangement among developing countries that entered into force in 1973.

Protectionist pressures still high, but largely controlled

The difficult international trading conditions of 1978 brought "a very large number" of specific trade problems before GATT. "Protectionist pressures continued to be high, and although governments quite largely succeeded in controlling them, numerous specific measures were taken that required action in GATT." The report notes a further trend toward the use of independent panels of experts to settle disputes, which is likely to be reinforced by a Tokyo Round agreement reached on the subject. Details of disputes and other specific trade problems brought before GATT in 1978 are given in Chapter III of the report.
Summing up, the report concludes: "After a generation of smooth and rapid expansion in world trade, international trade relations in the past few years have not been easy. New concerns and new problems have arisen and have had to be accommodated. The trading system must continue to respond to problems and challenges as they arise. A critical part of the responsibilities of the GATT member countries will be to concert their views and policies in good time so as to avoid disruptions in world trade, which plays such a large part in economic progress and international political relations."