TOKYO ROUND TARIFF PROTOCOL
OPENED FOR ACCEPTANCE

A Protocol embodying results of the Tokyo Round negotiations over tariffs was opened for acceptance at GATT headquarters today.

By accepting this Geneva (1979) Protocol to the General Agreement on Tariffs and Trade, and by annexing to it their Schedules of Concessions, Tokyo Round participating countries will make their tariff-cutting commitments legally binding within the GATT. The concessions, agreed upon in nearly six years of government-to-government negotiations from 1973 to 1979, will reduce tariffs on thousands of industrial and agricultural products through reductions beginning for the most part on 1 January 1980.

The level of all industrial tariffs taken together is expected to be reduced by about one third, a cut comparable to that achieved in the Kennedy Round of 1964-67.

The Protocol will be open for acceptance by Tokyo Round participants, by signature or otherwise, until 30 June 1980.

It will enter into force on 1 January 1980 for those participants which have accepted it before that date. For participants accepting after that date, it will enter into force on the dates of their acceptance.

The Protocol stipulates that the tariff reductions agreed upon by each participant shall, except where otherwise specified in a participant's schedule, be implemented in equal annual rate reductions beginning 1 January 1980, the total reduction to become effective not later than 1 January 1987. There is nothing to prevent participants from implementing reductions in fewer stages or at earlier dates.
So far, 20 Tokyo Round participants have established their Schedules of Concessions; taken together, these run to more than 5,000 pages. It is possible that some of these countries will make further tariff concessions which would be annexed to a Supplementary Protocol later this year. More than 20 other participants, including a large number of developing countries, are also making tariff-cutting commitments which they will finalize in Schedules of Concessions to be attached to the Supplementary Protocol.

The value of trade affected by the reductions achieved in the Tokyo Round exceeded $125 billion in 1976 (the most recent year for which fully detailed figures are available) and would cover an appreciably higher amount now. The most important cuts in the $110 billion worth of trade in industrial products are concentrated in non-electrical machinery, wood products, chemicals and transport equipment, while less than average reductions are being made in the textiles and leather sectors. Tariff concessions have also been exchanged on nearly $15 billion worth of world trade in agricultural products, out of a total of $48 billion of global farm trade in 1976.

The use of an agreed formula for tariff cutting has had the effect that those countries which had the highest initial level of tariffs have tended to make the largest reduction. Also, as a result of this harmonization effect, cuts in tariffs on finished and semi-finished products are deeper than those on raw materials, so that there has been progress in reducing the problem of tariff escalation.

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So far, eleven multilateral agreements, or codes, have resulted from the Tokyo Round on issues other than tariffs, notably those concerning an improved legal framework for the conduct of world trade and those concerning non-tariff measures and farm products.

The most important issue which has yet to be settled is the review of GATT rules on emergency safeguard action against disruptive imports. Negotiations on this issue are continuing.

A brief summary of the results of the Tokyo Round multilateral trade negotiations, as at April 1979, is contained in GATT Press Release 1234.

A full report on the Tokyo Round, including a preliminary analysis of the tariff reductions, is also available in English, French and Spanish language editions from the GATT secretariat, Centre William Rappard, 134 rue de Lausanne, 1211 Geneva 21, Switzerland. Price Sw F 17 or US$10.

1Argentina, Austria, Bulgaria (not a GATT Contracting Party: its Schedule will therefore not be annexed to the Protocol but will be contained in a separate instrument), Canada, Czechoslovakia, EEC, Finland, Hungary, Iceland, Jamaica, Japan, New Zealand, Norway, Romania, South Africa, Spain, Sweden, Switzerland, Yugoslavia, United States.

2The Schedules will be published by the GATT secretariat later this year.