GATT ACTIVITIES IN 1981

Publication of Annual Report on GATT's Work

An increase in international trade tensions, accompanied by continuing efforts in GATT to open up world markets, to strengthen the international trading system and to settle commercial disputes between GATT members, are the main themes of GATT Activities in 1981, published today. For 1982, the report sees the forthcoming GATT Ministerial Session as an opportunity to respond to problems and opportunities facing the trading nations.

1981 marked by a considerable increase in international trade tensions

The Introduction to the report notes that in 1981, as in the previous year, "lagging trade growth accompanied, and encouraged, widespread pressures on governments to restrict imports and to assist exports. The pressures were largely resisted: governments remained very conscious of the great risks involved in resort to protectionism. But the record of trade relations in 1981 is not a happy one. The multilateral trading system based on GATT continued to operate and ... succeeded in meeting a number of challenges. Most observers would, however, agree that the year was marked by a considerable increase in international trade tensions."

GATT Activities in 1981 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 Swiss Francs 12.00.
A number of items on the credit side

The report says that "a balance-sheet of trade relations in 1981 would have a number of items on the credit side. They include the entry into force of the two Tokyo Round agreements not already in effect, a further annual round of tariff cuts as agreed, and steady progress in developing the new multilateral agreements into effective instruments of international co-operation. The conciliation procedures of GATT resolved a number of difficult disputes."

The report goes on to say that GATT continued to provide, notably in the Committee on Trade and Development and in the Consultative Group of Eighteen, opportunities for countries of every degree of development and type of economy to discuss their trade problems together. "The re-negotiation of the Multifibre Arrangement," it adds, "completed in the final days of the year, required painful compromises and a further prolongation of departures from the normal trading rules, but it also showed that governments were still ready to seek multilateral solutions to pressing national concerns. Technical assistance by GATT to developing countries was stepped up sharply. Membership of GATT continued to grow."

But some important items, too, on the debit side

But, the Introduction points out, "there are important items on the debit side of the balance-sheet. The number of disputes brought before GATT was higher even than the record level reached in 1980 - and in some cases it seemed that the issues raised might be too wide in scope, and too important in terms of national policy, to be dealt with effectively by the semi-judicial panel procedures. Tensions in trade relations among the major industrialized powers became even more acute. There was also further evidence of the difficulty for these countries of making the necessary adjustments to the growing competition of the more economically advanced developing countries."

Most developing countries, the report says, continued to grapple with grave economic difficulties, compounded by sluggish demand in export markets, intensified protectionist pressures, and depressed prices for their raw material exports. "There was considerable evidence that countries were increasingly resorting to subsidies and other fiscal and trade policy instruments in order to strengthen their position in world markets, and seeking solutions to sectoral and other trade problems through bilateral agreements outside the framework of international law established by the GATT. There was little information about some of these arrangements, and this lack of transparency contributed to fears that they might affect the interests of non-participants."
November 1982 Ministerial Session

"Some encouragement, and an important additional point for the credit side of the 1981 ledger," the Introduction concludes, "can be drawn from the unanimous agreement of GATT member governments to hold their 1982 annual session at Ministerial level.... All governments are conscious that the trading system - and with it, the economic prospects of their countries - is under pressure, and at risk. All are conscious, also, that in the coming years the trading nations will face new problems and opportunities. The Ministerial Session of November 1982, the first meeting of GATT Ministers for more than nine years, will offer the opportunity to respond to these challenges in a coherent and determined manner."