GATT TRADE NEGOTIATIONS

Statement by Mr. E. Wyndham White, Director-General,
General Agreement on Tariffs and Trade, on 15 May 1967

The essential elements in the Kennedy Round have now been successfully negotiated.

Almost fifty countries, accounting for around 80 per cent of world trade, have participated in the negotiations, which have been wide-ranging and comprehensive and the most ambitious attempt ever made to achieve the liberalization of international trade. The results are of a far greater magnitude than those obtained in any previous trade negotiations. Through the operation of the most-favoured-nation rule, all GATT countries stand to benefit from these results.

In the industrial field, the negotiations have been based on a working hypothesis of a linear tariff reduction of 50 per cent by major industrialized countries and have resulted in important tariff cuts over a very wide range of industrial products. In many areas, reductions of 50 per cent have been agreed. It has been estimated that trade in the products on which concessions have been agreed amounts to some 40 billion dollars. Among the most difficult problems dealt with multilaterally have been those related to chemicals and steel; on these we have reached agreements of outstanding importance.

In the agricultural field, the basic elements to be incorporated in a grains arrangement have been agreed upon after difficult and intensive negotiations. Agreement has been reached on basic minimum and maximum prices of wheats of major importance in international trade. A major innovation is the provision for food aid to developing countries to an amount of 4.5 million metric tons of grain annually, over a period of 3 years.
While in other areas results on agriculture have been more modest, there have nevertheless been some significant results including, inter alia, agreements on such important products as meat.

An anti-dumping code has been agreed upon in the course of the negotiations.

Agreement has also been reached on action to be taken with respect to certain other non-tariff barriers to trade.

Some developed countries have offered substantial tariff cuts on tropical products, certain of which are being immediately implemented. In a number of cases the action taken falls short of the expectations of the developing countries. Some participants are considering possible further improvements in their tariff offers.

In respect of many tropical products it was not possible to reach agreement at this stage on the elimination or reduction of tariffs because of the existence of preferential arrangements. It has been recognized that, to achieve the objective of duty-free entry, both the developed and the developing countries will have to address themselves to reaching agreement on the best form of action that would permit the removal of these preferences.

In the course of the trade negotiations tariff cuts have been agreed on many other products of principal, or potential, export interest to the developing countries.

The tariff reductions agreed in the trade negotiations will, in general, be phased over a period of years. The participants in the negotiations have, however, recognized that, for the developing countries, the immediate implementation of such tariff cuts would be of great value in maximizing the benefits to them of these negotiations. It has therefore been agreed by participants that efforts must continue to secure the best advance implementation of such concessions. All participants have declared their determination to reach a decision on this point by the time the Protocol embodying the results of the Trade Negotiations is open for signature. Participating developing countries have stated that the solution found to this question will be a major determining factor in their overall appraisal of the concessions received.

Participating developing countries have urged that those requests for tariff reductions on items of special importance to them, which had not yet been fully met by participating developed countries, should be favourably reconsidered and that further concessions on these items be made.

The question of compensation for loss of preferences resulting from the trade negotiations will be pursued further.
The participating developed countries declare their willingness to continue to examine to what extent they could improve access for products exported by developing countries which have special characteristics such as handicrafts and handloomed fabrics.

Much work remains to be done on matters of detail arising from the negotiations as a whole. The results of the negotiations have also to be embodied in legal instruments. Only after participants have completed any necessary legal or constitutional procedures will the detailed results of the negotiations be fully known.