49th Session of the Contracting Parties

GATT members urged to build on Uruguay Round success

In opening what was probably the penultimate Session of the Contracting Parties on 25-26 January, the Chairman, Ambassador B. K. Zutshi, pointed to the challenges facing GATT members after successfully concluding the Uruguay Round. He said that "the agreements have only laid the ground work for economic and trade relations between nations into the 21st century - and now it is for us to carry out the exercise of building upon the blue-print..." He stressed that the World Trade Organization (WTO), which will implement the Uruguay Round results, "must serve as a vehicle for strong global economic growth." He added:

Not long ago, there were dire predictions about GATT's demise, followed by a collapse of the multilateral trading system. It was believed that the world would be divided into regional trading blocks and that trade wars were inevitable. We have proved the cassandras wrong. Today, not only is GATT alive and kicking, it will soon metamorphose itself into a vastly more important and expanded institution. My vision for this institution encompasses its role as the defender of the rights of the weak and the vulnerable among its members; a place for tranquil reflection and resolution of problems in the trading systems; a voice for reason and equity in the din of clashing interests.

The Chairman gave the customary first look at the previous year's trade figures. He noted that in 1993, the volume growth of world trade was below 3 percent, down from 4 percent in the previous year. World output growth was up slightly to just above 2 percent. "Both figures remained well below the averages for the

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previous decade, confirming that the period of slow growth in the world economy, which began in 1989, continued in 1993," he added.

For 1994, Ambassador Zutshi saw "grounds for optimism regarding a recovery." One reason was that signs of recovery in Western European economies in the final quarter of 1993. Another was the "successful conclusion of the Uruguay Round negotiations which is expected to restore consumer and investor confidence in regions affected by recessionary conditions, thereby reinforcing the positive trends in evidence in developing regions and economies in transition and maintain the momentum of activity in other regions."

Ambassador Zutshi stressed that "no participant should be worse off, or emerge a net loser from the Round." He suggested the establishment of a "monitoring mechanism" in this regard and that "should there be any losers from the Round, ways should be found to redress the situation by positive action which may include compensation."

He warned GATT members against euphoria in believing that the results of the Round would automatically ensure a strong and non-discriminatory multilateral trading system. "An open trading system, like freedom, demands eternal vigilance - we must be on guard against machinations of protectionist forces and narrow sectoral interests."

On the Uruguay Round Decision mandating the establishment of a work programme on trade and environment, Ambassador Zutshi said that many contracting parties, especially the developing countries:

- trust that the work programme will address each country's trade, environment and sustainable development needs and priorities in a balanced and equitable way; and
- trust that this will be a work programme on the trade and trade-related aspects of the subject that remains firmly within the competence of the multilateral trading system.

He said that "trade liberalization coupled with financial and technological transfers, is essential for promoting sustainable development, particularly in the developing countries where poverty is the number one preoccupation for all policymakers and the most important obstacle to better environment protection." To overlook this fact, according to Ambassador Zutshi, and instead focus on "polemics about greening the GATT would reduce the (trade-environment) debate to an irrelevance for the great majority of contracting parties."

Report of the Council

The Council Chairman, Ambassador András Szepesi, reported that despite the heavy workload in 1993 related to the final phase of Uruguay Round negotiations, the Council had been able to deal with all basic matters placed before it. He said the most striking features of the Council work last year were:

- The very large number of requests for accession to the GATT as well as for observer status. The Council had introduced complementary procedures in accession negotiations and had spelled out the link between observer status and future accession of the government concerned.
- Reviews under the trade policy review mechanism, which had now become well established in GATT, 11 reviews had been carried out by the Council in 1993 and experiments with structure of the meetings had been continued to promote a more lively and focused debate.
- Continued involvement in the dispute settlement process, in particular through the monitoring of implementation of panel reports.
- The continuation of the trend towards the establishment of free-trade areas and regional trading arrangements, and the Council's role in the examination and review of such arrangements.

Ambassador Szepesi said 1993 also represented a year of change for the GATT Secretariat. He noted that the Council, in July, had welcomed the appointment of Director-General Peter Sutherland "whose dynamism, tenacity and vision contributed crucially to the successful conclusion of the Uruguay Round negotiations." At the same time, three new Deputy Directors-General had been appointed thus accomplishing a complete renewal of the senior leadership of the Secretariat.

The Council Chairman set out a number of issues that would have to be dealt with this year. One was the review of current procedures for examining free-trade areas and regional agreements, which had been on the increase. Another relating to the issue of "image and public perception of GATT" was streamlining the derejection of GATT documents. A housekeeping issue was "the urgent need to remedy the serious degradation of pension and salary conditions of the professional staff of the Secretariat." Another was the need for bigger meeting rooms to accommodate the large number of new GATT members, applying countries and observers as well as the more active participation of existing members.

The Council would face another challenging year in 1994, according to Ambassador Szepesi, as it prepared for the implementation of the Uruguay Round agreements, including the establishment of the World Trade Organization.

Trade and development

The Chairman of the Committee on Trade and Development (CTD), Ambassador...
Trade and environment

The Chairman of the Group on Environmental Measures and International Trade, Ambassador Hidetoshi Ukawa (Japan), gave a progress report on the work of the Group since it was activated two years ago. He praised the "remarkable spirit of constructive cooperation with open-mindedness" that had facilitated the Group's work.

Ambassador Ukawa said there was widely shared conviction in the Group that "there not be, nor should be, any policy contradiction between upholding the values of the multilateral trading system and the protection of the environment." It was also widely accepted that the GATT "provides wide scope for governments to use trade-related policies to protect national environmental resources without calling into question their GATT obligations."

Regarding agenda item number 1 of the Group (trade provisions of multilateral environmental agreements vis-à-vis GATT principles and provisions), Ambassador Ukawa noted that GATT members welcomed multilateral solutions to global environmental problems as a more effective and durable approach to ad hoc resort to unilateral trade measures. He said that the Group had explored various approaches to deal with possible conflicts between environmental agreements and the GATT, including the use of waivers on a case-by-case basis under GATT Article XXV and a collective interpretation of Article XX (general exceptions).

There appeared to be broad agreement, according to the Group Chairman, on issues falling under agenda item number 2 (transparency of national environmental regulations). Members of the Group viewed the current GATT provisions, especially once they have been supplemented by the new Uruguay Round provisions, created a broad basis for ensuring multilateral transparency.

On trade effects of new packaging and labeling requirements related to the protection of the environment - agenda item no. 3 - Ambassador Ukawa reported that delegations had contributed information on their respective national experiences in this area. Discussions had concentrated on identifying the trade effects of these measures and to what extent they might differ from the trade-related technical regulations and standards that were more familiar to GATT members.

Finally, on the follow-up to the Earth Summit results, Ambassador Ukawa said that the Group's three agenda items had anticipated much of what was found in the Rio Declaration. Therefore, the Group's work undertaken under its regular agenda could already be considered as a GATT contribution to the UNCED follow-up.

Many contracting parties reiterated the importance of GATT work on the trade-environment issue and welcomed the Uruguay Round Decision in this regard. Among the points they raised were:

• The Group's work during the past two years had set the stage for a substantial Decision on trade and environment in the Uruguay Round; and

• By successfully concluding the Round, GATT members had achieved a major objective set by Ministers in the Earth Summit.

Jordan applies for membership

Jordan's Ambassador Fawaz Sharaf said his country's decision to apply for GATT membership testified to its commitment for trade liberalization. He said Jordan had been implementing trade reform measures within the context of an economic structural adjustment programme that was launched in 1988. Quantitative import restrictions had been removed, the tariff system had been restructured and import and export licensing had been abolished. Ambassador Sharaf said Jordan had benefited from its experience as an observer in GATT. It was convinced that its accession to the General Agreement would serve both its interests and those of its trading partners.

The Contracting Parties established a working party to examine Jordan's request for accession.

Panel established on US tobacco legislation

Brazil, also on behalf of Chile, Colombia, El Salvador, Guatemala, Thailand and Zimbabwe, reiterated its request at the previous Council meeting for a panel to examine the United States' legislation concerning the use of imported tobacco by domestic cigarette manufacturers (see Focus No. 103). It said that Section 1105 of the "Omnibus Budget Reconciliation Act of 1993," approved in August 1993, amended the US Agricultural Adjustment Act of 1938 to protect domestically-produced tobacco. Brazil charged that the US legislation, by establishing a 75 per cent tobacco local content for the manufacture of cigarettes, violated the letter of the General Agreement and had adversely affected exports of tobacco to the US market.

Canada said it had voiced its concerns in previous Council meetings over the damage done by the US measure on Canadian tobacco exports. It said consultations with the United States had not
resolved the matter and requested a panel to examine its complaint.

The European Community and New Zealand supported Brazil's request and indicated their interest in making third-party submissions to the panel.

The United States said it would not oppose the establishment of a panel.

The Contracting Parties established a panel to examine the complaint by Brazil, Canada, Chile, Colombia, El Salvador, Guatemala, Thailand and Zimbabwe.

Free-trade Agreements

Austria reported that the EFTA States (Austria, Finland, Iceland, Liechtenstein, Norway, Sweden and Switzerland) had signed free-trade agreements with Poland in December 1992 and with Hungary in March 1993. The agreement with Poland had entered into force for all the EFTA States in November 1993. The agreement with Hungary had entered into force for Austria, Norway and Sweden in October 1993 and was in the process of ratification in the other EFTA members.

According to Austria, the objective of the two agreements, in accordance with GATT Article XXIV, was to abolish tariffs and other restrictions for industrial products, fish and other marine products and processed agricultural products between EFTA on one hand and Poland and Hungary on the other. In addition, bilateral arrangements had been concluded regarding trade in agricultural products.

The Contracting Parties established separate working parties to examine the two free-trade agreements.

International Trade Centre

Director-General Peter Sutherland reported on his recent consultations with the United Nations Secretary-General Boutros Boutros-Ghali regarding the position of Executive Director of the International Trade Centre (ITC), which has been vacant for the past two years. The ITC, established by GATT in 1964 and since 1967 jointly operated by GATT and the UN, is the focal point for technical assistance to developing countries in matters of trade promotion.

A major problem regarding the appointment of the ITC head was the view of the UN Secretariat that the position should be downgraded from the level of Assistant Secretary-General. GATT contracting parties have supported maintaining the level in view of the importance of the Centre’s mission.

Mr. Sutherland said that the Secretary-General had endorsed, after a review he had requested, the appointment of the ITC head at the level of Assistant Secretary-General. He said he had made further proposals to speed up the appointment of the best qualified person. “Since the ITC was established under the auspices of the GATT, I believe that we have a particular responsibility to ensure that developing countries are not deprived of the potentially invaluable service it has been able to provide in the past,” he said.

Summing-up

In summing up the discussions, the Chairman of the Contracting Parties noted several themes echoed by delegations, including:

- The need for a speedy and harmonious transition from the GATT to the WTO. This would be facilitated by a full respect by members for their existing obligations, in particular to the implementation of panel reports.
- The need to advance the GATT accession process under satisfactory conditions and arrangements.
- The importance they attached to pursuing regional economic integration, and their belief that such agreements were complementary to the multilateral trading system.
- The conclusion of the Round represented a major victory for multilateralism but GATT members should be aware of the lurking dangers of unilateralism, bilateralism and inward-looking regional arrangements.
- The implementation of the Round commitments was taking place in the context of an adverse economic and employment situation. Special and differential treatment was a key aspect of ensuring the eventual success of trade reforms in developing countries, in particular, technical assistance would help developing contracting parties identify new avenues for trade growth resulting from the Round.

The Contracting Parties agreed to hold their 50th Session in the week of 5 December 1994.
How can the coordination of economic policies at the global level be made more effective? The GATT Director-General, Mr. Peter Sutherland, offers some suggestions after his first public analysis of the Uruguay Round results in his address to the World Economic Forum held in Davos, Switzerland on 28 January. Excerpts follow:

On 15 December 1993 the world changed. Maybe not as dramatically as the moment when the Berlin Wall fell, but then unlike that very necessary demolition job, the success of the Uruguay Round was a work of construction. Like the destruction of the wall, though, its effects will be profound and lasting ones, felt far beyond its immediate context. It will be seen as a defining moment in modern history.

The importance of the Round can be seen in terms of the boost it gives to job creation; to development; to investment; to economic reform; to the rule of law - and in many other ways besides. All of these benefits are real and important. But the true value of the whole is much, much more than the sum of these parts.

Put simply, governments came to the conclusion that the notion of a new world order was not merely attractive but absolutely vital: that the reality of the global market - whatever ambitions some of them may retain for regional integration - required a level of multilateral cooperation never before attempted.

No losers in the Round

We have created a revolutionary framework for economic, legal and political cooperation....But let me now turn to the immediate results of the Round. Seeing them as a profit and loss account or a scoreboard of winners and losers is to see them in static terms, as one-off conclusions with finite effects. This misses the point completely. For a start. I do not accept that there are any losers. Every nation now needs an effective trading system, but especially so the small and poor. They have it. Everyone will also gain from the huge package of market access results even if they did not get every concession they were seeking from trading partners - it is the biggest market access deal ever negotiated.

However, the essence of the Uruguay Round's achievements is that they are dynamic. The new agreements, the new rules and structures it sets up - all mean a commitment to a continuing process of cooperation and reform of which the agreement in December was only the beginning.

Maintaining the liberalizing momentum will call for continuing effort and vigilance by participating countries. But now their energy can be focused through the Round's greatest innovation: the new World Trade Organization. In place of the improvised basis on which the GATT has operated for 45 years, trade will now have a permanent forum appropriate to its importance in the world economy.

Technically speaking, the WTO will oversee the implementation of the Round's results, administer all the agreements in goods, services and intellectual property, and manage the unified dispute settlement system. But beyond these administrative functions, it will raise the political profile of trade - a profile which has already been lifted greatly by the Uruguay Round. The WTO will have regular - instead of occasional - direct Ministerial involvement. It will have a clear mandate to act as a forum for further trade negotiations. Most of all it will complete the transition from a trading system which largely restricted itself to policies at the border to one which also covers most aspects of domestic policy-making affecting international competition in goods and services, as well as investment.

Through the WTO, the Round will change the way the world economy is shaped.

But it is not the final victory over protectionism and unilateralism. Any premature rejoicing would have quickly been cut short by the evidence since 15 December that major economic powers are still ready to take the unilateral approach to trade problems. We have clearly not heard the last of "managed trade", an idea which is the antithesis of an open multilateral system. Arguments for protectionism based on the alleged threat of low-cost competition to production and jobs will not just fade away because the Round is a success. The seductive appeal of "beggar-thy-neighbour" policies is highlighted by the seemingly greater vigour of the lobbies for protectionism than the advocates of open markets.

These dangers - and the speed with which they have resurfaced - make the achievement of the Uruguay Round all the more important, and its successful implementation all the more urgent. Implementation requires more than mutual backslapping about what we have achieved. It requires now that the US, EU and Japan, in particular, rapidly obtain final authority to ratify and also take a lead in providing the WTO with the means to fulfile its mandate.

The success of the Round has come at a time when it is even more vitally needed than anyone could have guessed when it was launched in 1986. Old structures and alignments have been turned inside out in trade as in every other area of international relations. We face a world of change and challenge, in which the reinforced trading system will be a primary source of stability and security.

The developing countries have become enthusiastic supporters of the multilateral trading system and the Uruguay Round - even if all their demands were not met by industrial countries. The reasons lie in the changing economic policies of many developing countries and the clearer appreciation of the value of the GATT system that has grown along with these changes.

Most of what I have said about developing countries also holds true for another priority on the world economic agenda: assisting the process of reform in Central and Eastern Europe and the successor
states of the former USSR.

These regional trade and economic challenges are joined on the world’s agenda by concerns which cut across regions. The challenge of new issues in world trade will be a major one for the WTO. Already the changing priorities of some Uruguay Round participants have shown up in proposals that the new organization consider issues such as the links between trade and the environment, international competition policy, trade and investment, and trade and labour standards.

I want to say a few words about trade and the environment since it is one area in which GATT member countries have committed themselves already to a comprehensive new work programme. They decided on 15 December, in conjunction with the adoption of the results of the Uruguay Round negotiations, to draw up a work programme on trade and environment by the time of the Ministerial meeting in Marrakesh. Environmental policy-making is one of the most rapidly evolving areas of national and international policy-making, and it is entirely appropriate that emphasis should be placed now in GATT/WTO on ensuring better policy coordination and multilateral cooperation over the linkages between trade and environment.

Permanent negotiations

The Uruguay Round may well be the last of its kind, but this in no way means the end of multilateral trade negotiations. On the contrary, it means they become a permanent event. Ad hoc negotiating rounds were necessary mainly because the GATT lacked the mandate or the institutional basis to operate the multilateral system to the full on a continuous basis. Between rounds the GATT has tended to lose momentum, often at the very times when it was essential to make the most of the liberalizing impulse. This has allowed protectionism and unilateralism to reassert themselves already to a comprehensive new work programme. They decided on 15 December, in conjunction with the adoption of the results of the Uruguay Round negotiations, to draw up a work programme on trade and environment by the time of the Ministerial meeting in Marrakesh. Environmental policy-making is one of the most rapidly evolving areas of national and international policy-making, and it is entirely appropriate that emphasis should be placed now in GATT/WTO on ensuring better policy coordination and multilateral cooperation over the linkages between trade and environment.

New structures needed

We badly need some new structures of cooperation - structures which can deal, in a practical sense, with global economic issues and give further direction to the global economic institutions. Why should the problems of Russia, for instance, be discussed simultaneously but in comparative isolation from each other in the G7, the OECD, GATT, the World Bank, the IMF, the BERD and so on? And all this for one, albeit important country, while the problems of some of the world’s poorest and most populated countries are less obviously in focus. It might be reasonable if it were particularly effective - but, especially on the trade side, I do not think these discussions have done much to answer even Russia’s problems. “Trade not aid” may make an appealing sound-bite, but many economies in transition or in an early stage of development have justified concerns about the reality as opposed to the rhetoric.

If world leaders were able to show the foresight to establish the WTO and to create a new multilateral trading system then it is reasonable to suggest they follow the logic of that foresight and seek to put in place new cooperative structures in place which will recognize the realities of the 21st Century. We cannot continue with a majority of the world’s people excluded from participation in global economic management.

Building for the future

It is evident that the three Bretton Woods institutions - the World Bank, the IMF and the WTO - have a vital supporting role to play in any initiative to strengthen world economic co-operation. Each institution has a clear mandate, but they are also clearly interdependent. Money, Finance and Trade have all to be treated in an integrated way. The resources that can be mobilized by the World Bank in support of the development of essential infrastructure and enterprise are vital, especially to give a lead to promising private sector initiatives. The IMF’s role of guiding macro-economic and monetary policy is a crucial one. And the new WTO will - over and above all its other specific tasks - provide a much-needed means of gauging the appropriateness and effectiveness of micro-economic policies through their impact on trade and consistency with the multilateral rules. The next step is to build for the future on this integrated base.

I have a specific proposal to make - the setting-up of a new high-level framework for communication and co-operation on economic matters. Its composition would be drawn from the developing countries and the economies in transition as well as the OECD countries. It would meet regularly at Prime Minister and Trade and Finance Minister level. The necessary institutional support would come from the three Bretton Woods institutions - the World Bank, the IMF and the WTO - working together.

Setting up such a forum is the logical next step in the development of global economic co-operation for which the success of the Uruguay Round has done so much. It is the next challenge of international economic leadership - the challenge of translating the common interest in global growth into a practical and effective mechanism for solving our common economic problems together. So, when Ministers go to Marrakesh in April to take part in an historic event which will establish the World Trade Organization and put in place the new multilateral trading system, they will be making not an end, but a beginning.
After a short hiatus forced by intensive negotiations in the Uruguay Round late last year, the Council has resumed in earnest its review of individual GATT members' trade policies with its first examination of the trade regime of Turkey on 20-21 January. The following are excerpts from the Chairman's summary of the Council's discussions:

Council members welcomed the substantial trade liberalization measures taken by Turkey in recent years and the economic progress that had resulted. At the same time, they raised questions concerning aspects of Turkey's macroeconomic balance and policies pursued to rectify it; trade liberalization, particularly with respect to the customs union with the European Union; and Turkey's broader participation in the international trading system.

Members recognized that the achievement of a customs union with the European Union by 1995 was the key objective of Turkey's trade policies. Turkey's experience had illustrated the positive interaction between liberalization at the regional and multilateral level. The fulfillment of obligations undertaken by Turkey in the context of establishing the customs union had been an important spur to the global liberalization of its trade regime. Adoption of the common external tariff of the EU by Turkey would also contribute to stabilizing and simplifying Turkey's tariff system.

Some participants expressed concern about the adverse effects on third countries of the differential treatment granted by Turkey in favour of the EU and EFTA countries. The share of preferential trade represented some 50 per cent of Turkey's total imports; this global trend, also evident in other countries, should not be at the expense of m.f.n. trade.

Turkey's offer in the Uruguay Round represented an average 24 per cent reduction in tariffs on agricultural products and 29 per cent on bound rates for industrial products. Supplementary offers on tropical industrial products and textiles had been made.

Council members welcomed the significant reduction in the use of import licensing in the last decade, and the reduction of Turkey's tariffs in line with moves towards customs union with the EU. However, they noted that tariffs, combined with the Mass Housing Fund (MHF) charge, provided significant levels of protection against imports, and detracted from the transparency and predictability of the import regime. The recent announcement of a substantial reduction in the coverage and rates of the MHF charge was welcomed. Several members asked whether the MHF would be abolished in line with customs union with the EU, and noted that alternative revenue-raising measures would be required to replace the charge.

In reply, the representative of Turkey noted that the difference between m.f.n. and preferential rates had in fact widened in 1993, as tariffs on some products had to be raised to the level of the Common Customs Tariff of the EU. The adoption of the CCT to imports from third countries would provide increased, predictable market access opportunities. The introduction of the Mass Housing Fund charge had assisted Turkey to eliminate non-tariff barriers and move away from import-substitution. The 1994 import régime had eliminated the MHF charge on more than 2,600 commodities and reduced rates on others, reducing the protection provided by the levy by nearly one-third; phasing out would continue until final elimination by 1998 as mentioned in Turkey's Free Trade Agreement with EFTA, if not before. The loss of revenue from the levy was expected to be compensated through the tax reform, including consumption taxes, yet to be introduced, which would be applied to domestic and imported goods alike. No import licensing requirements were now in force, and the import certificate system was not an administrative obstacle.

In reply, the representative of Turkey confirmed that since joining the Subsidies Code, Turkey had phased out a number of subsidy programmes. Presently, export credits and energy incentives were the only remaining export incentives. In the context of export credits, Turkey had applied to join the OECD Arrangement Regarding Officially Supported Export Credits. All export taxes would be phased out by the end of 1995.

A number of participants made reference to potentially trade-distortive policies affecting specific sectors. These included subsidies and import taxes affecting coal, and high tariffs and low levels of bindings on textiles and clothing.

In respect of agriculture, questions were asked about plans to increase output and yields; the economic and environmental costs of fertilizer subsidies; the relationship between apparent increases in support to farm production and Uruguay Round commitments; import levies, particularly on meat and dairy products.

In reply, the representative of Turkey said that research, training and other services were designed to improve livestock yields. Farm support had fallen in real terms between 1991 and 1992 and there was no export subsidy programme for wheat. A forthcoming report by the OECD estimated PSE and CSE levels at well below the OECD average.

The state-owned hard coal company generated substantial operating losses due to excess employment; in this case, budget transfers were regarded as a form of social welfare. The MHF levy on coal imports had been abolished in the 1994 import régime.

**Conclusion**

The Council Chairman, in conclusion, said that: "It is my strong impression that the Council has welcomed the recent steps taken by Turkey to liberalize and inject more transparency into its trade régime. The Council has also recognized the revenue implications of the Mass Housing Fund charge in Turkey's overall fiscal balance; however, it has urged Turkey to eliminate this import charge as soon as possible in favour of more neutral revenue measures. Turkey's regional trading initiatives will assist in creating greater stability and predictability for traders; this would, however, be further enhanced by a higher level of tariff bindings. Turkey is therefore strongly encouraged to continue with determination on the path of multilateral liberalization. This will enable Turkey both to benefit from, and to make a strong contribution to, the evolution of the international trading system."

While Turkey continues to assist its coal miners, it has liberalized entry of coal imports. (ILO Photo)
Paraguay and Grenada becomes 115th and 116th members of GATT

Paraguay became the 115th member of GATT on 6 January, 30 days after the GATT Secretariat received formal confirmation that the country's Protocol of Accession had been ratified by Paraguay's Congress. The terms of the Protocol were negotiated in a working party whose report was adopted by the GATT Council in June 1993. The Protocol was formally signed by Ambassador Luis Gonzalez of Paraguay on 1 July 1993.

In 1991, Paraguay's merchandise exports and imports amounted to US$1.1 billion and $1.7 billion, respectively. Its main exports are cotton and soya, with its principal markets being Brazil, the Netherlands and Argentina. Its major imports are machinery, vehicles and spare parts, fuel and lubricants, and alcoholic beverages and tobacco. Its main sources of imports are Brazil, Argentina and the United States.

On 9 February, Grenada became the 116th member of the GATT following its notification to GATT Director-General Peter Sutherland, under the terms of Article XXVI:5(c) of the General Agreement. On becoming independent from the United Kingdom in 1974, Grenada acquired full autonomy in the conduct of its external commercial relations and has been applying the General Agreement on a de facto basis. Under these circumstances, Grenada needed only to notify the GATT Director-General that it wished to be deemed a contracting party according to the provisions of Article XXVI:5(c).

In 1991, the total value of Grenada's imports of goods and services amounted to US$125.05 million, primarily composed of food products, machinery and transport equipment, manufactured goods and fuels. Imports were mainly from the United States, the United Kingdom, Canada, Trinidad and Tobago, North Korea and the Netherlands. Exports of goods and non-factor services in the same year totalled $22.25 million, primarily composed of nutmeg, cocoa, bananas, mace and textiles.

77th GATT trade course

The seventy-seventh GATT trade policy course, in Spanish, was inaugurated on 24 January. Twenty-four officials from developing countries in Central and South America are participating in the course, which will end on 29 April 1994. The courses are aimed at giving participants greater understanding of trade policy matters.

GATT's annual report on dairy products

Economic and social changes in Central and Eastern Europe are having a strong impact on the world dairy market. Lower consumption due to higher domestic prices, the collapse of intra-regional trade and need for hard currency have led to an increase in exportable butter from these countries at reduced prices. Thus, despite the downward trend in world milk production, butter exports have declined and stocks remain high.

These are among the findings in GATT's annual report The World Market for Dairy Products 1993. It is available in English, French and Spanish from GATT at SwF 25 per copy.

The GATT Uruguay Round has been concluded!

The GATT Uruguay Round: A Negotiating History (1986-92), edited by Terence P. Stewart, Esq. is a comprehensive work on this landmark international trade agreement. In three extensive volumes you will find analysis and commentary on the positions taken by participating nations which produced the final accord. No more comprehensive study is available to inform you about the ramifications of the GATT Uruguay Round Agreement. For individuals focusing on specific topics within the Uruguay Round accords, detailed chapters examine antidumping, subsidies, dispute settlement, services, agriculture, tariffs, textiles, intellectual property, trade-related investments - and more.


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