

Press Release Communiqué de presse

GENERAL AGREEMENT ON TARIFFS AND TRADE

GATT

ACCORD GÉNÉRAL SUR LES TARIFS DOUANIERS ET LE COMMERCE

Centre William Rappard, Rue de Lausanne 154, 1211 Genève 21

Tél. (022) 31 02 31

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GATT ANNUAL SESSION ACTS ON TOKYO ROUND RESULTS AND SETS FUTURE WORK PROGRAMME

The GATT Contracting Parties, meeting in Geneva, have taken decisions which bring into the GATT framework the agreements resulting from the Tokyo Round of multilateral trade negotiations (1973-79), and have established GATT's future work programme.

The decisions taken, and their significance for international trade in the 1980s, were summed up by Mr. Clivier Long, GATT Director-General, at a press conference in Geneva on 29 November. The text of his statement, and a summary of the main decisions reached by the GATT Contracting Parties (member States) at their thirty-fifth annual session from 26 to 29 November 1979, is given below.

Statement by Mr. Olivier Long, 29 November 1979

For some years past, the sessions of the Contracting Parties have been somewhat overshadowed by the Tokyo Round of multilateral trade negotiations. Their results have hardly been such as to warrant a press conference, particularly since the difficult, and in consequence, interesting, trade problems have been handled in the Council of permanent representatives.

But the session just ended has been different. It has certainly been the most important held by the Contracting Parties for many years.

The session has had two major tasks, and it has accomplished both successfully.

The first was to carry through the final stage of the Tokyo Round negotiations, by bringing all the results of the negotiations into the GATT, both as a legal framework and as a working institution.

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The second was to chart the course for GATT in the post-Tokyo Round period.

As you all know, the Tokyo Round has been, both in its scope and its participation, the largest trade negotiation ever undertaken. It was formally launched in September 1973, but its origins go back even further, to the late 1960s.

I shall not recite to you the list of agreements reached on tariff reductions, on the abolition or regulation of non-tariff measures, on changes in the GATT rules. Most of them have been well known for some time, although it is only recently that the last understandings in certain areas have been worked out, and only just in the last few days that a second batch of tariff reductions, this time largely by developing countries, has been agreed.¹ Three important developing countries also succeeded in negotiating the terms of their accession to GATT during the Tokyo Round; the Philippines signed its Protocol of Accession two days ago, and we hope also to welcome Colombia and Mexico before long.

What remained to be done at this session was to fit these results of the Tokyo Round negotiations into the framework of GATT, in such a way that they would meet the rules of the General Agreement, would respect the rights of both signatories and non-signatories of particular agreements, and would contribute to the coherence of the world trading system. It was also necessary to ensure that unfinished business of the Tokyo Round would continue to receive the necessary attention.

To do so has required some fairly intensive negotiation. I believe the outcome has been very satisfactory. A series of consensus agreements has been reached. One provides for the continuance, in a new committee within GATT, of the negotiations on safeguards, which are generally recognized to be the major piece of unfinished business of the Tokyo Round. Another, partly linked to the first, provides for the examination of protective measures affecting imports from developing countries, and sets up for this purpose a sub-committee of GATT's Committee on Trade and Development. This sub-committee will fulfil a commitment embodied in resolution 131 of the UNCTAD conference at Manila in May 1979. Further decisions of the Contracting Parties, also reached by consensus, will make an integral part of the GATT rules the so-called "Framework" agreements on preferences for developing

¹For information on the opening for acceptance of the Geneva (1979) Tariff Protocol and of the Supplementary Tariff Protocol, see press release GATT/1241 of 11 July 1979 and GATT/1251 of 28 November 1979.

countries, safeguards for development purposes, trade measures for balance-of-payments purposes, and dispute settlement. Another consensus decision establishes the relationship with the GATT of the long list of agreements reached on non-tariff measures, and on dairy products, meat and civil aircraft. This decision reaffirms the responsibility of the Contracting Parties of overseeing the operation of the system as a whole, and taking action as appropriate. It defines the rights of GATT members which have not signed particular Tokyo Round agreements, and establishes guiding principles concerning such matters as reporting to the Contracting Parties.

What these agreements add up to is that the final act of the trade negotiations has been acted out, and that the way is now open to put the results into effect. The book is closed on the Tokyo Round on all issues except that of safeguards, and here the work will go forward in the framework of GATT itself.

The second task of the session was to set the course for the future, by adopting a new work programme for GATT.

The importance of this need hardly be underlined. What the session has done, in accepting the work programme which I proposed to it, is to outline the main elements in trade co-operation in GATT for the 1980s. The first priority of the work programme, endorsed in practically every statement heard at this session, is to put the agreed Tokyo Round results into full effect: in other words, to put into operation a new, more liberal, and more disciplined framework for world trade which is the fruit of these negotiations. At the same time, the unfinished negotiations on safeguards must be continued.

Procedures are to be worked out for continuing the process of trade liberalization. GATT's valuable data bank on tariff and non-tariff measures in force, created for the Tokyo Round, will be kept up to date. Many speakers have pointed to the issues which will require particular attention: agriculture, quantitative restrictions, tariff escalation and so on. It has been agreed to initiate consultations on how to further develop active co-operation in the agricultural sector. Further work will be done on the relationship between trade policy and structural adjustment, now fully recognized as a key to growth in international trade and the world economy. There is agreement on an overall approach in the GATT to the trade problems of developing countries, with a clearly strengthened mandate for the Committee on Trade and Development, and acknowledgement of the importance of a new round of trade negotiations among developing countries.

In short, this session has marked, for GATT, both the close of one stage in its activities and the opening of a new one. It brings to a successful end the Tokyo Round negotiations on which our efforts have centred over the 1970s.

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It defines an effective and constructive rôle for GATT for the 1980's: all participants in the session have recognized that international trade is likely to face many problems in the years ahead, but that GATT and the trading system are much better equipped to face them as a result of the Tokyo Round.

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Decisions taken by the 35th Session
of the GATT Contracting Parties
Geneva, 26-29 November 1979

I. Results of the Tokyo Round¹

(a) Framework Agreements

The negotiations in the Framework Group resulted in draft decisions on:

- (i) Differential and more favourable treatment for developing countries, reciprocity by developing countries in trade negotiations, and their progressive fuller participation in GATT;
- (ii) Trade measures taken for balance-of-payments purposes;
- (iii) Safeguard action for development purposes;
- (iv) Understanding on notification, consultations, dispute settlement and surveillance in GATT.

These draft decisions were all adopted by consensus.

(b) Other Multilateral Agreements

- (i) Agreement on Technical Barriers to Trade (often referred to as the Standards Code).
- (ii) Agreement on Government Procurement.

¹For brief summaries of all the Tokyo Round agreements, see "GATT Activities in 1978 and Results of the Tokyo Round Multilateral Trade Negotiations".

For more comprehensive information, see the Director-General's Report on The Tokyo Round of Multilateral Trade Negotiations (195 pp.), GATT, Geneva 1979. (Price US\$10 or Sw F 17).

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- (iii) Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the General Agreement (dealing with Subsidies and Countervailing Duties).
- (iv) Arrangement on Bovine Meat.
- (v) International Dairy Arrangements.
- (vi) Agreement on Implementation of Article VII of the General Agreement (relating to Customs Valuation) and the Protocol to this Agreement.
- (vii) Agreement on Import Licensing Procedures.
- (viii) Agreement on Trade in Civil Aircraft.
- (ix) Agreement on Implementation of Article VI of the General Agreement (Revised GATT Anti-Dumping Code).

On these agreements, the Contracting Parties took the following decision by consensus:

- "1. The Contracting Parties reaffirm their intention to ensure the unity and consistency of the GATT system, and to this end they shall oversee the operation of the system as a whole and take action as appropriate.
2. The Contracting Parties note that as a result of the Multilateral Trade Negotiations, a number of Agreements covering certain non-tariff measures and trade in Bovine Meat and Dairy Products have been drawn up. They further note that these Agreements will go into effect as between the parties to these Agreements as from 1 January 1980 or 1 January 1981 as may be the case and for other parties as they accede to these Agreements.
3. The Contracting Parties also note that existing rights and benefits under the GATT of contracting parties not being parties to these Agreements, including those derived from Article I, are not affected by these Agreements.
4. In the context of 1 and 3 above, the Contracting Parties would receive adequate information on developments relating to the operation of each Agreement and to this end there will be regular reports from the concerned Committees or Councils to the Contracting Parties. The Contracting Parties may request additional reports on any aspect of the various Committees' or Councils' work.
5. Further, the Contracting Parties understand that interested non-signatory contracting parties will be able to follow the proceedings of the Committees or Councils in an observer capacity, and that satisfactory procedures for such participation would be worked out by the Committees or Councils."

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(c) Safeguards

The full text of the decision by the Contracting Parties on continuance of the negotiations on safeguards reads:

"The Contracting Parties stress the need for an agreement on an improved multilateral safeguard system.

"The Contracting Parties reaffirm their intention to continue to abide by the disciplines and obligations of Article XIX of the General Agreement.

"A Committee is established to continue discussions and negotiations, taking into account the work already done, with the aim of elaborating supplementary rules and procedures regarding the application of Article XIX of the General Agreement, in order to provide greater uniformity and certainty in the implementation of its provisions.

"The Committee will submit a report to the Contracting Parties by 30 June 1980.

"Membership of the Committee is open to all contracting parties and to all participants in the Multilateral Trade Negotiations."

(d) Examination of Protective Measures Affecting Imports from Developing Countries

The full text of the decision by the Contracting Parties reads:

"The Contracting Parties,

"Recalling that at the Fifth UNCTAD unanimous agreement was reached to examine any case of future protective action by developed countries against imports from developing countries,

"Decide that the Committee on Trade and Development establish a Sub-Committee to examine any case of future protective action by developed countries against imports from developing countries in the light of relevant provisions of the GATT, particularly Part IV thereof.

"This examination shall be without prejudice to the rights of contracting parties under the GATT or the competence of other GATT bodies.

"The membership of the Sub-Committee shall be open to all contracting parties. Developing countries not contracting parties to GATT may, upon notification to the Director-General of GATT, participate in the proceedings of the Sub-Committee in an observer capacity.

"The Sub-Committee will report on such examination to the Committee on Trade and Development and through it to the Council.

"These arrangements will be reviewed and revised as appropriate."

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(e) Action by the Contracting Parties on the Tokyo Round tariff concessions

The Contracting Parties also took a decision on a technical matter establishing negotiating rights arising from tariff concessions made in the Tokyo Round.

II. The future GATT work programme

The Contracting Parties agreed by consensus to adopt a proposal for the GATT work programme put forward by the Director-General of GATT. The text of this proposal is given below.

GATT WORK PROGRAMME

Proposal by the Director-General

The conclusion of the Multilateral Trade Negotiations is an important event in the life of the GATT. The Contracting Parties will need to take action on a number of points to ensure that results of the negotiations are effectively implemented and to further work on the improvement of the trading system. The main elements of the work programme for the post-MTN period are listed below, it being understood that this list is not exhaustive and may be reviewed.

1. Implementation of the results of the Multilateral Trade Negotiations

It is noted that the Contracting Parties have taken action regarding the Agreements evolved in the Multilateral Trade Negotiations. The GATT Work Programme should give immediate priority to the results of the MTN.

1.1 Tariff schedules

The tariff concessions negotiated in the MTN should be implemented as agreed. The relevant schedules should be brought up to date. This task would be greatly facilitated by the establishment of a Committee on Tariff Concessions with a mandate to:

1. supervise the task of keeping the GATT schedules up to date;
2. supervise the staging of tariff reductions; and
3. provide a forum for discussion of questions relating to tariffs.

1.2 "Framework" texts

The following action should be taken in order to ensure the effective implementation of these texts.

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1. Without prejudice to action requested by the Contracting Parties through the Council, primary responsibility for the supervision of the implementation of points 1 and 4 of the "Framework" texts should be given to the Committee on Trade and Development.
2. The agreement relating to the conduct of the regular and systematic review of developments in the trading system as agreed in the Group "Framework" and in the Trade Negotiations Committee, should be referred to the Council, with the request that appropriate procedures be taken up at an early meeting of the Council.
3. The Consultative Group of Eighteen should be requested to advise the Council on the forum and modalities for carrying out the future work in the area of export restrictions and charges as agreed in the Group "Framework" and the Trade Negotiations Committee.

1.3 Agriculture

Questions relating to trade in agricultural products will continue to be an important part of the work of the GATT and of its work programme. In this context, it should also be noted that the Council has agreed, in the light of the discussion and the recommendation in the Trade Negotiations Committee to the Contracting Parties to further develop active co-operation in the agricultural sector, to request the Director-General to consult with interested delegations on this matter and to report to the next regular session of the Contracting Parties.

2. Safeguards

Continued negotiations on safeguards constitute an essential element in the GATT Work Programme and should be carried out as a matter of urgency in accordance with the agreement reached in the Council (and approved by the Contracting Parties on 28 November 1979) on this matter.

3. Continuation of the process of trade liberalization

The continuation of the process of trade liberalization should be referred to the Council with the request that appropriate procedures be elaborated, and in this context the secretariat should be requested to update the relevant information.

4. Structural adjustment and trade policy

The Consultative Group of Eighteen should be requested to examine this matter further and to advise the Council, and also, through it, the Committee on Trade and Development, on the modalities for carrying out further work in this area, taking into account the continuing rôle of the Committee on Trade and Development.

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5. GATT and developing countries

The Contracting Parties should recognize the importance of this area and that it is a priority area of work. Each point of the Programme listed so far includes work in individual areas of particular interest to developing countries. These form part and parcel of an overall approach to the problems faced by developing countries. GATT should ensure that a coherent overall approach be maintained and to this end the Council and the Committee on Trade and Development should co-ordinate their activities on issues of common concern.

5.1 The rôle of the Committee on Trade and Development should be strengthened and should cover, inter alia,

1. work on trade policy and development policies including trade liberalization in areas of special interest to developing countries;
2. primary responsibility for supervision of the implementation of points 1 and 4 of the "Framework" texts (see paragraph 1.2 above);
3. examination of protective action by developed countries against imports from developing countries;
4. work on structural adjustment and trade of developing countries (see paragraph 4 above); and
5. special attention to the special problems of least developed countries.

5.2 The importance of a new round of trade negotiations among developing countries has been acknowledged. The Contracting Parties, through the Committee on Trade and Development, should continue to follow developments in this important area of activity.

5.3 The technical assistance activities of the GATT secretariat should be continued and readapted to meet the requirements of the developing countries in the context of the new Work Programme.

6. Other proposals for future work

The present programme of work does not exclude the future consideration of additional elements, and may be reviewed by the Contracting Parties. It is to be noted that certain delegations have presented some proposals for additional items for future work of GATT in the Consultative Group of Eighteen, which will continue to deal with these as well as any other proposals as may be presented to it in the future.

END