

Chapter XVII

Interim Commission for the International Trade Organization (ICITO) and the General Agreement on Tariffs and Trade (GATT)

The United Nations Conference on Trade and Employment, held at Havana, Cuba, between November 1947 and March 1948, drew up a charter for an International Trade Organization (ITO) and established an Interim Commission for the International Trade Organization (ICITO). Since the charter itself was never accepted, ITO was not established. However, while drawing up the charter, the Preparatory Committee's members negotiated on tariffs among themselves, and also drew up the General Agreement on Tariffs and Trade (GATT). The Agreement—a multilateral treaty embodying reciprocal rights and obligations—is the only multilateral instrument that lays down agreed rules for international trade. It entered into force on 1 January 1948 with 23 contracting parties. Since then, ICITO has provided the GATT secretariat.

By the end of 1983, the number of contracting parties to GATT had risen to 90 with the addition of Maldives (April) and Belize (October). One other country, Tunisia, had acceded provisionally. The contracting parties conducted about 85 per cent of all international trade while 31 other countries applied the rules of GATT.

Multilateral trade negotiations

Implementation of the Tokyo Round agreements

Of two distinct strands of the multilateral work programme pursued within GATT during 1983, the first was the continuation of work resulting from the conclusion of the Tokyo Round of multilateral trade negotiations in 1979.^a The agreements of the Tokyo Round, the seventh "round" of multilateral trade negotiations in the 36-year history of GATT, provided an improved framework for the conduct of world trade and were adopted as an integral part of the rules of GATT.

Tariff negotiations during the Tokyo Round resulted in agreement on import duty reductions to be effected in eight annual cuts by the industrialized countries. With the fourth of such cuts being made on 1 January 1983, the half-way point in the Tokyo Round reductions was reached.

During 1983, the GATT Committee on Tariff Concessions continued work on establishing a loose-leaf system of tariff schedules to permit eas-

ier and more systematic access to changes made during rounds of tariff negotiations. In February, the Committee adopted procedures for renegotiating tariff schedules in the light of the decision of the 1982 ministerial session of GATT member States to adopt the Harmonized Commodity Description and Coding System developed by the Customs Co-operation Council in Brussels, Belgium. This system would facilitate analysis of trade statistics and monitor and protect the value of tariff concessions.

The Committee on Subsidies and Countervailing Measures agreed on the need to achieve greater transparency in the area of subsidies and to settle outstanding differences of interpretation between the various signatories to the Agreement on the subject. The Committee also considered two panel reports on complaints by the United States on alleged subsidies by the European Community (EC) on exports of wheat flour and pasta products. A further panel was established to examine a complaint by EC relating to United States subsidies on exports of wheat flour to Egypt.

The Committee on Government Procurement continued to examine laws, procedures and regulations relating to implementation of the Agreement on Government Procurement and set up its first dispute panel to consider a complaint by the United States against exclusion by EC of value added tax from the contract price of government purchases in its member States.

During 1983, the Committee on Trade in Civil Aircraft recommended the inclusion of a further 32 categories of products in the Agreement on such trade as from 1 January 1985 and the conditions for the elimination of duties and other charges relating to aircraft repairs were agreed.

The Arrangement regarding Bovine Meat and the International Dairy Arrangement were the multilateral agreements relating to trade in agricultural products negotiated during the Tokyo Round. The 25 signatories to the bovine meat Arrangement accounted for approximately 90 per cent of the world's exports of fresh, chilled and frozen beef and veal. The International Dairy

^a YUN 1979, p. 1328.

Products Council, which supervised the International Dairy Arrangement, met three times during 1983. Its work included consideration of a complaint by EC arising from United States sales of dairy products to Egypt. A report on the world market for dairy products was published in October.

Work continued in committees overseeing the agreements on anti-dumping practices, technical barriers to trade, customs valuation and import licensing. The updating of the inventory of non-tariff measures affecting industrial products also proceeded. By the end of 1983, the inventory, which was originally prepared as an information base for the Tokyo Round negotiations, included over 600 measures.

Ministerial work programme

The second strand of the 1983 multilateral work programme of GATT was continuation of the plan set out by the 1982 GATT Ministerial Meeting. The ministerial declaration had called for new efforts to achieve a comprehensive understanding on safeguards. In this context, safeguards referred to the right of GATT contracting parties to impose temporary trade restrictions on imports which seriously injured a domestic industry or threatened to do so. Consultations took place throughout 1983 but did not progress sufficiently for a comprehensive understanding to be presented to the session of contracting parties in November.

The Committee on Trade in Agriculture, established by the Ministerial Meeting, held four meetings in 1983. It compiled information on measures affecting agricultural trade in 45 countries and went on to examine trade measures of 36 of them, including EC. The Committee considered, in particular, measures affecting market access and supplies, the operation of GATT with respect to agricultural subsidies and measures maintained under exceptions or derogations from GATT.

In 1983, the Committee on Trade and Development initiated the first five of a series of consultations with individual developed countries aimed at reviewing their trade policies in the context of Part IV of the General Agreement, which envisaged special treatment for developing countries. The Committee also set in motion a new round of consultations covering trade in tropical products, and a sub-committee began a programme of consultations aimed at examining barriers affecting the trading prospects of the least developed countries.

Other aspects of the ministerial work programme included the establishment of a group to examine quantitative restrictions and other non-tariff measures with a view to eliminating those not in conformity with GATT, and a review of the adequacy and effectiveness of the Tokyo Round

agreements and obstacles to their acceptance by non-signatories.

Other GATT activities

Contracting parties session

In November 1983, GATT contracting parties met at senior official level and heard first progress reports on the ministerial work programme.

Council of Representatives

The Council of Representatives, GATT's highest body between sessions of the contracting parties, in 1983 acted on many international trade policy issues, and trade disputes between GATT parties. Four new dispute panels were set up during the year. Two reports were adopted by such panels and seven other disputes were considered further.

Consultative Group of Eighteen

At its two meetings held in 1983, the Consultative Group of Eighteen reviewed developments in trade policy since the 1982 GATT Ministerial Meeting and discussed the relationship between trade policy and the international financial system. It also discussed dispute settlement in the light of the 1982 ministerial declaration.

Committee on Trade and Development

During 1983, the Committee on Trade and Development continued to review trade issues affecting the developing countries, as did its two sub-committees: the sub-committee on trade of the least developed countries and the sub-committee on protective measures. The latter sub-committee continued to examine new measures implemented by developed countries which affected the exports of developing countries. Among measures considered were restrictions and other actions against steel, footwear, tableware, sugar, meat and quartz watches.

Balance-of-payments restrictions

During 1983, the GATT Committee on Balance-of-Payments Import Restrictions held full consultations with Brazil, Ghana, Hungary, Israel and Portugal, whose balance-of-payments difficulties had led them to restrict imports. Consultations under a simplified procedure took place with Egypt, Peru, the Republic of Korea, Sri Lanka, Tunisia and Turkey.

Textiles Arrangement

By the end of 1983, the second extension of the Arrangement regarding International Trade in Textiles,^b known as the Multifibre Arrangement

^bYUN1981, p. 1484.

(MFA), had been operating for two years. Agreements under MFA covered most of the textiles and clothing exported by MFA members in the developing world to those in the developed world (worth approximately \$15 billion annually).

In December, the Textiles Committee conducted the second annual review of the second extension, which was due to expire on 31 July 1986.

Technical assistance

In 1983, the GATT secretariat's Technical Co-operation Division organized missions to, or seminars in, the following developing countries: Argentina, Burundi, Haiti, Indonesia, Malaysia, Maldives, Paraguay, Peru, the Philippines, Rwanda, Senegal, Thailand and Venezuela. GATT officials also participated in seminars sponsored by a number of regional organizations.

Training programme

Two commercial policy training courses with a total of 44 participants were held at Geneva during 1983. These were the fifty-fifth and fifty-sixth in the series which began in 1955 and which, by the end of 1983, had been attended by 882 officials from 109 countries and six regional organizations. The courses were held in French and English but were to be supplemented, as from 1984, by a course in Spanish.

International Trade Centre

Established by GATT in 1964 and jointly operated by GATT and the United Nations Conference

on Trade and Development since 1968, the International Trade Centre continued to provide trade information and trade promotion advisory services for developing countries. The Centre's work was directed towards helping developing countries to formulate and implement trade promotion programmes and activities. The value of its technical co-operation programme in 1983 was estimated at \$15 million.

Publications

Publications issued in 1983 included the annual volumes of GATT Activities and International Trade, and the monthly newsletter GATT Focus.

Secretariat

As at 31 December 1983, the GATT secretariat employed 284 staff members; of these, 123 were in the Professional and higher categories and 161 were in the General Service category. They were drawn from 43 nationalities.

Financial arrangements

Member countries of GATT contribute to the budget in accordance with a scale assessed on the basis of each country's share in the total trade of the contracting parties and associated Governments. The budget for 1983 was 48,538,000 Swiss francs. The scale of contributions for 1983 is given below. (The United Nations rate of exchange for December 1983 was SwF 2.18 = \$US 1.00.)

Annex I. CONTRACTING PARTIES TO THE GENERAL AGREEMENT ON TARIFFS AND TRADE AND SCALE OF CONTRIBUTIONS FOR 1983 (As at 31 December 1983)

Contracting party	Net contribution (in Swiss francs)	Contracting party	Net contribution (in Swiss francs)	Contracting party	Net contribution (in Swiss francs)
Argentina	218,420	Finland	407,720	Malawi	58,250
Australia	655,260	France	3,533,560	Malaysia	330,050
Austria	582,450	Gabon	58,250	Maldives	58,250
Bangladesh	58,250	Gambia	58,250	Malta	58,250
Barbados	58,250	Germany Federal Republic of	5,329,470	Mauritania	58,250
Belgium	1,732,800	Ghana	58,250	Mauritius	58,250
Belize	58,250	Greece	213,560	Netherlands	2,213,330
Benin	58,250	Guyana	58,250	New Zealand	160,170
Brazil	645,550	Haiti	58,250	Nicaragua	58,250
Burma	58,250	Hungary	266,960	Niger	58,250
Burundi	58,250	Iceland	58,250	Nigeria	553,330
Canada	1,965,790	India	310,640	Norway	490,230
Central African Republic	58,250	Indonesia	461,110	Pakistan	111,630
Chad	58,250	Ireland	281,520	Peru	92,220
Chile	145,610	Israel	208,710	Philippines	199,000
Colombia	116,490	Italy	2,499,700	Poland	519,350
Congo	58,250	Ivory Coast	67,950	Portugal	203,860
Cuba	155,320	Jamaica	58,250	Republic of Korea	621,280
Cyprus	58,250	Japan	3,941,280	Romania	368,890
Czechoslovakia	461,110	Kenya	58,250	Rwanda	58,250
Denmark	529,060	Kuwait	383,450	Senegal	58,250
Dominican Republic	58,250	Luxembourg	150,460	Sierra Leone	58,250
Egypt	131,050	Madagascar	58,250	Singapore	446,550

Contracting party	Net contribution (in Swiss francs)	contracting party	Net contribution (in Swiss francs)	contracting party	Net contribution (in Swiss francs)
South Africa	495,080	Turkey	160,170	Zaire	58,250
Spain	766,900	Uganda	58,250	Zambia	58,250
Sri Lanka	58,250	United Kingdom	3,470,460	Zimbabwe	58,250
Suriname	58,250	United Republic of Cameroon	58,250	Associated Government	
Sweden	902,800	United Republic of Tanzania	58,250	Democratic Kampuchea	58,250
Switzerland	912,510	United States	7,042,860	Tunisia	87,370
Thailand	228,130	upper Volta	58,250		
Togo	58,250	Uruguay	58,250	Total	48,654,500*
Trinidad and Tobago	82,510	Yugoslavia	354,320		

*Total includes contributions assessed on contracting parties Belize, Maldives) subsequent to adoption of scale of contributions.

Annex II. OFFICERS AND OFFICE OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE (As at 31 December 1983)

OFFICERS

OFFICERS OF THE CONTRACTING PARTIES*

Chairman of the Contracting Parties: Hans V. Ewerlöf (Sweden).

Vice-Chairmen of the Contracting Parties: Mahmoud Abdel-Bari Hamza (Egypt),
Kazimir Vidas (Yugoslavia), Dame Anne Warburton (United Kingdom).
Chairman of the Council of Representatives: Felipe Jaramillo (Colombia).
Chairman of the Committee on Trade and Development: Tai Soo Chew (Singapore).

SENIOR OFFICERS OF THE SECRETARIAT

Director-General: Arthur Dunkel.
Deputy Directors-General: Madan G. Mathur, William B. Kelly.

SENIOR OFFICERS OF THE
INTERNATIONAL TRADE CENTRE UNCTAD/GATT
Executive Director: Goran M. Engblom.
Deputy Executive Director: Said T. Harb.

*Elected at the end of the November 1983 session, to hold office until the end of the next session

HEADQUARTERS

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