

## 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.<sup>a</sup> 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

<sup>a</sup> YUN 1979, p. 1328.