

PRESS COMMUNIQUE RELEASE DE PRESSE

GENERAL AGREEMENT ON TARIFFS
AND TRADE
ACCORD GÉNÉRAL SUR LES TARIFS
DOUANIERS ET LE COMMERCE

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EMBARGO: NOT FOR PUBLICATION
BEFORE 0001 GMT MONDAY
1 DECEMBER 1986

GATT/1400
24 November 1986

GATT REPORT ON INTERNATIONAL TRADE PUBLISHED 1986 trade growth, at 4%, still modest

The volume of world merchandise trade grew by 3 per cent in 1985 while GATT economists estimate growth in 1986 will be nearer 4 per cent due to a sharp recovery in the volume of fuel exports. This can be contrasted with the 5½ per cent average growth rate during the 1970s.

These results are included in the report 'International Trade 1985/86' published today¹ by the General Agreement on Tariffs and Trade in Geneva. The report, presented this year in a new format, is a detailed analysis of international trade and policy issues in 1985 and the first half of 1986. The first chapter, covering the main developments and trends of the period as well as a discussion of policy issues, appeared as a press release in September.

The report notes the decline in the share of developing countries in world trade in 1985 and points out that this largely reflects the drop in the value of exports of fuels and other primary products. Exports of manufactures by developing countries, in contrast, continued to increase. Their share of world trade in manufactures stood at 12½ per cent in 1985, up from 7 per cent in 1973.

¹GATT International Trade 1985/86. Geneva, 1986. Price Swiss Francs 30.-. Available in English, French and Spanish language editions from: GATT Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21, and through booksellers; in the United Kingdom, orders should be placed with HMSO, P.O. Box 276, London SW8 5DT, and in the United States with UNIPUB, 10033/F King Highway, Lanham MD 20706.

Among other highlights, the report states that world trade in electronic products reached \$136 billion in 1985 and accounted for a record 7 per cent of world merchandise exports. While trade growth in this sector slowed in 1985 due largely to the slump in the United States market, it has been one of the fastest rising areas of merchandise trade in recent years having climbed from only a 4.3 per cent share of the total in 1979.

Trade in automotive products also continued a dramatic three-year recovery accounting, in 1985, for 9 per cent of world merchandise exports and a record worth \$173 billion. The 10 per cent rise in the value of auto product exports made it the fastest growing sector in 1985, contrasting with a 1 per cent increase in the total value of merchandise trade and a 5 per cent rise in manufactures as a whole.

Sharp declines in petroleum prices and the US dollar's depreciation are among the key factors influencing trade developments this year. Figures for the first ten months, available since the closing date for the report itself, point to two postwar "firsts" in 1986. It seems likely that the developing countries' earnings from exports of manufactured products will exceed their earnings from fuels, and that the dollar value of the Federal Republic of Germany's exports will exceed that of the United States, making it the world's largest exporter.

The report analyses trade trends from three perspectives. Chapter 2 presents a breakdown into the main product categories, namely: food; raw materials; ores, minerals and non-ferrous metals; fuels; iron and steel; textiles and clothing; automotive products and electronic products. Chapter 3 looks at trade patterns between the developed countries, the developing areas and the Eastern trading area, while Chapter 4 analyses the trade of the seven main geographic regions and includes detailed country-by-country information and comment.