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"THE MULTILATERAL TRADING SYSTEM IS STILL SERVING THE  
WORLD WELL", SAYS ARTHUR DUNKEL IN NEW REPORT

"It is often forgotten, in the welter of concern - much of it well-meant and well-directed - over trade restrictions, subsidies, the dangers of unilateralism, major trade imbalances and the continuing problem of developing country debt, that world trade volume grew by 8½ per cent last year. This was not only a record for the 1980s, equal with that of 1984, but, unlike that year, a growth broadly-based across products and countries."

This observation appears in GATT Director General, Arthur Dunkel's introduction to the publication GATT Activities 1988<sup>\*</sup>, published today. Mr. Dunkel continues:

"Commentators forecasting the imminent collapse of the multilateral trading system would do well to keep recent trade growth in mind (1987 saw a relatively healthy 5½ per cent growth and this year we can see above average trade growth again, particularly if the major countries can control the recent pick-up in inflation). For the most part, the system - and that

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\* GATT Activities 1988 is available in English and French and will shortly be published in Spanish. It can be obtained from the GATT Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21, or 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 BERNAN-UNIPUB, 4611-F Assembly Drive, Lanham, MD 20706-4391. Price Sw F 12.-

means the GATT - continues to serve the world's traders, investors and consumers very well."

In his review, Mr. Dunkel recognizes the problems facing the trading system:

"Unresolved disputes involving the major industrial powers continue to give a public perception of a worsening international trade environment, even though, for the most part, they involve small amounts of trade. In particular, an apparent drift towards the attempted resolution of trade difficulties through unilateral and discriminatory measures, imposed outside the GATT, has worried many participants in the trading system. And rightly so. It cannot be stressed too often that membership of GATT involves a commitment to multilateralism and to a balanced and disciplined approach to the resolution of trade problems. It does not rule out bilateral efforts to seek trade benefits - indeed it encourages them - but it does impose limits on the armoury to be employed in securing those benefits."

On the other hand, Mr. Dunkel explains the extent of the progress made in the Uruguay Round multilateral trade negotiations "mid-term Review" conducted between December 1988 and April 1989. The exercise took the Uruguay Round much further forward than anticipated and, at the same time, demonstrated both how ambitious and how much of a challenge the negotiations are:

"It is, perhaps, only now becoming apparent to many that the Uruguay Round is far more than a traditional negotiation of trade concessions. It is an effort to re-order the basis for economic relationships between countries in a way which more adequately reflects the realities of trade, investment and development in the modern world and which will give the multilateral trading system the chance to go on being the motor of economic growth that it has been for most of the past forty years."

GATT Activities 1988 reports on every aspect of GATT's work last year and in the early months of 1989. It covers the many disputes brought to the GATT for resolution, the work on new accessions, the Tokyo Round committees and activity related specifically to the developing countries. The publication also gives a detailed account of the work in the Uruguay Round negotiating bodies and looks at general trends in international trade performance and policies.

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