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FUTURE WORK PROGRAMME OF THE GATT: A FIRST SKETCH

Note by the Secretariat

The end of the Tokyo Round being imminent it is necessary to give thought now to the future work programme of the GATT.

Since, at the time of writing, the negotiations are not finalized and its results are not known in detail, this paper can only be a first sketch. However, it should give a basis for reflexion on and discussion of this subject by indicating the main areas on which the GATT will need to concentrate and by making a number of suggestions with regard to each of these areas.

1. Implementing the results of the negotiations

In the immediate post-Tokyo Round period much of the GATT's energy will be concentrated on the implementation of the results of the negotiations. This will constitute a challenge both for the parties to the negotiations individually and to the GATT as such. In the case of the tariff reductions and the modification of item-related non-tariff measures, the implementation of the results will be primarily a matter for individual parties. The implementation of the multilateral agreements which form a part of the final package will call for intensive action by the institution. The Committees foreseen in the various codes will have to be constituted, to agree on procedures, to plan their agendas and to organize their work. Much of the preparatory work will fall upon the secretariat, which will need to be equipped and organized to deal with it. The formal acceptance and entry into force of these instruments will take some time. If impetus is not to be lost, it will be necessary for the secretariat to put the necessary work in hand without delay and for the Committees to meet on an informal basis as soon as possible.

The CONTRACTING PARTIES will also have to meet to give effect to certain of the agreements reached. In some cases they will also have to organize their implementation - the Framework package, for instance, foresees "a regular and systematic review of developments in the trading system" by the CONTRACTING PARTIES.

Arrangements will also be required to ensure that the effect of the working of different instruments and their impact on the international trading system form a coherent whole and that those concerned with the implementation of individual instruments do not work in a vacuum but are aware of what is going on in other areas.

The GATT secretariat will have to continue to provide technical assistance for developing countries and appropriate arrangements will have to be made for this in the light of the results of the Multilateral Trade Negotiations.

2. Dealing with remaining problems

The fact that the negotiations are over will clearly not mean that all trade problems have been satisfactorily dealt with. It is only natural and necessary that, in the period immediately ahead, governments should concentrate on implementing the results which have just been negotiated. But the GATT will also have to face up to the responsibility which it has to work towards a solution of the many problems that will remain. This is particularly important at this point of time, when it can persuasively be argued that world trade is under more restrictions than it was in 1973 when ministers launched the Tokyo Round and when the fact that the negotiations are ending may make it more difficult than ever to contain protectionist pressures.

Some of the remaining problems are those which were taken up in the negotiations. In some cases it has been recognized explicitly that they would need to be pursued after the close of the negotiations. It is neither possible at this stage, nor is it the intention of this paper, to make an exhaustive enumeration of the remaining issues, but mention must be made of remaining problems affecting trade of developing countries, such as the escalation of tariffs, quantitative restrictions on products of export interest to them, non-tariff measures not covered by codes drawn up during the negotiations, and the threat of new restrictions.

A more precise indication of the nature of the remaining problems and of the unfinished tasks that need to be taken up will be available after the secretariat has carried out its evaluation of the results of the negotiations. In some instances mechanisms already exist for dealing with these problems but account will have to be taken of the new procedures, instrumentalities and elements in the trading system which have emerged from the present negotiations.

Now that the Tokyo Round, which has been the centre of attention for so long, is coming to an end, governments will be able to get down to other pending issues on which a large amount of preparatory work has already been done. In particular, governments of developing countries should, with the assistance of the technical work done by the secretariat, be in a position to resume their negotiations amongst themselves with a view to including further developing countries in this exercise and to enlarging the trade coverage of the Protocol relating to these negotiations.

3. Concerting policies

If the GATT is to be fully effective in the years immediately ahead it must not only pursue its continuing work, implement the agreements reached in the negotiations and identify particular problems which call for solution, but must also be able to obtain a broad view of developments which will affect it so that emerging trends can be discerned, priorities established, and new problems affecting trade relations addressed. The GATT has, since its foundation, helped to create a climate in which world trade has expanded beyond all expectations and to create a world in which interdependence is a fact of life. The GATT has not, however, had at its disposal a fully effective means of managing interdependence - of identifying interrelationships, of pin-pointing possible conflicts between policies, of enabling governments to adopt appropriate trade policies and of consulting on and concerting their trade actions.

The establishment of the Consultative Group of 18 was clearly a step in the right direction and it seems necessary to suitably strengthen this mechanism in the future so that it can serve the above-mentioned purpose. It is to be expected that a major task for the CONTRACTING PARTIES in the future will be how to maintain and pursue trade liberalization, improved access to markets, especially for the exports of developing countries, as well as order and stability of trade flows, in the climate of sluggish growth and monetary uncertainty which may continue to prevail. In this connexion, particular attention may need to be given to questions relating to problems of structural adjustment which would enable importing countries to meet new competition without introducing new protective measures. It may also be necessary to give consideration to certain types of practices restricting trade which are emerging, such as sectoral arrangements and cartellization. Specific examples of other matters which might be taken up are East/West trade and trade in services. More generally, there is the need for an effective instrument to enable the CONTRACTING PARTIES to anticipate problems and to deal with situations in which policy objectives conflict. Such situations are likely to be much more acute in the future since governments now feel themselves compelled to intervene more actively in matters affecting trade than in the past when trade was not so much under pressure.