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GENERAL AGREEMENT ON TARIFFS AND TRADE

EXCHANGE RATE FLUCTUATIONS AND THEIR EFFECT ON TRADE

Study on "Exchange Rate Volatility and World Trade"

Note by the Secretariat

The attached Study, entitled "Exchange Rate Volatility and World Trade", was prepared by the Staff of the International Monetary Fund following consultations between the Director-General and the Managing Director of the Fund in response to the decision of the CONTRACTING PARTIES at their Ministerial session of November 1982. Members of the GATT Secretariat participated in drawing up the outline of the study, and commented on an early draft.

The Executive Directors of the Fund have approved the study for transmission to the GATT. However, the Study does not necessarily reflect the views of the Executive Board of the Fund. The Fund plans to publish the Study in its Occasional Paper series, making it clear that the Study was done in response to the decision by the GATT Ministers.

Having considered the analysis and conclusions of the Study, the Director-General decided that a detailed cover note by the Secretariat was not necessary because it could add little to the Study's key conclusions. In forwarding the Study to the Council, the Director-General wishes to express his appreciation for the work carried out by the Staff of the International Monetary Fund.

Two copies of the Study are being sent to each contracting party. Delegations may obtain additional copies from the Secretariat upon request (Room 33, telephone 31.02.31, extension 2046).