

INFORMATION

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

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GATT/40/2

A 40-YEAR CHRONOLOGY OF EVENTS AND ACHIEVEMENTS

1947 The birth of GATT. On 30 October 1947, the General Agreement on Tariffs and Trade (GATT) was signed by 23 nations at the Palais des Nations in Geneva. The Agreement contained tariff concessions agreed to in the first multilateral trade negotiations and a set of rules designed to prevent these concessions from being frustrated by restrictive trade measures.

The 23 founding contracting parties were members of the Preparatory Committee established by the United Nations Economic and Social Council in 1946 to draft the charter of the International Trade Organization (ITO). The ITO was envisaged as the final leg of a triad of post-War economic agencies (the other two were the International Monetary Fund and the International Bank for Reconstruction - later the World Bank).

In parallel with this task, the Committee members decided to negotiate tariff concessions among themselves. From April to October 1947, the participants completed some 123 negotiations and established 20 schedules containing the tariff reductions and bindings which became an integral part of GATT. These schedules resulting from the first Round covered some 45,000 tariff concessions and about \$10 billion in trade.

GATT was conceived as an interim measure that put into effect the commercial-policy provisions of the ITO. In November, delegations from 56 countries met in Havana, Cuba, to consider the ITO draft as a whole. After long and difficult negotiations, some 53 countries signed the Final Act authenticating the text of the Havana Charter in March 1948. There was no commitment, however, from governments to ratification and, in the end, the ITO was stillborn, leaving GATT as the only international instrument governing the conduct of world trade.

1948 Entry into force. On 1 January 1948, GATT entered into force. The 23 founding members were: Australia, Belgium, Brazil, Burma, Canada, Ceylon (now Sri Lanka), Chile, China, Cuba, Czechoslovakia, France, India, Lebanon, Luxembourg, Netherlands, New Zealand, Norway, Pakistan, Southern Rhodesia (now Zimbabwe), Syria, South Africa, United Kingdom and the United States. (China, Lebanon and Syria subsequently withdrew from the GATT.)

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- 1948 (cont'd) The first Session of the Contracting Parties was held from February to March in Havana, Cuba. The secretariat of the Interim Commission for the ITO, which served as the ad hoc secretariat of GATT, moved from Lake Placid, New York, to Geneva. The Contracting Parties held their second session in Geneva from August to September.
- 1949 Second Round at Annecy. During the second Round of trade negotiations, held from April to August at Annecy, France, the contracting parties exchanged some 5,000 tariff concessions. At their third Session, they also dealt with the accession of ten more countries.
- 1950 Third Round at Torquay. From September 1950 to April 1951, the contracting parties exchanged some 8,700 tariff concessions in the English town, yielding tariff reductions of about 25 per cent in relation to the 1948 level. Four more countries acceded to GATT. During the fifth Session of the Contracting Parties, the United States indicated that the ITO Charter would not be re-submitted to the US Congress; this, in effect, meant that ITO would not come into operation.
- 1956 Fourth Round at Geneva. The fourth Round was completed in May and produced some \$2.5 billion worth of tariff reductions. At the beginning of the year, the GATT commercial policy course for officials of developing countries was inaugurated.
- 1958 The Haberler Report. GATT published Trends in International Trade in October. Known as the "Haberler Report" in honour of Professor Gottfried Haberler, the chairman of the panel of eminent economists, it provided initial guidelines for the work of GATT. The Contracting Parties at their 13th Session, attended by Ministers, subsequently established three committees in GATT: Committee I to convene a further tariff negotiating conference; Committee II to review the agricultural policies of member governments and Committee III to tackle the problems facing developing countries in their trade. The establishment of the European Economic Community during the previous year also demanded large-scale tariff negotiations under Article XXIV:6 of the General Agreement.
- 1960 The Dillon Round. The fifth Round opened in September and was divided into two phases: the first was concerned with negotiations with EEC member states for the creation of a single schedule of concessions for the Community based on its Common External Tariff; and the second was a further general round of tariff negotiations. Named in honour of US Under-Secretary of State Douglas Dillon who proposed the negotiations, the Round was concluded in July 1962 and resulted in about 4,400 tariff concessions covering \$4.9 billion of trade.

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- 1961 The Short-Term Arrangement covering cotton textiles was agreed as an exception to the GATT rules. The arrangement permitted the negotiation of quota restrictions affecting the exports of cotton-producing countries. In 1962 the "Short-term" Arrangement became the "Long-term" Arrangement, lasting until 1974 when the Multifibre Arrangement entered into force.
- 1964 The Kennedy Round. Meeting at Ministerial level, a Trade Negotiations Committee formally opened the Kennedy Round in May. In June 1967, the Round's Final Act was signed by some 50 participating countries which together accounted for 75 per cent of world trade. For the first time, negotiations departed from the product-by-product approach used in the previous Rounds to an across-the-board or linear method of cutting tariffs for industrial goods. The working hypothesis of a 50 per cent target cut in tariff levels was achieved in many areas. Concessions covered an estimated total value of trade of about \$40 billion. Separate agreements were reached on grains, chemical products and a Code on Anti-Dumping.
- 1965 A New Chapter. The early 1960s marked the accession to the General Agreement of many newly-independent developing countries. In February, the Contracting Parties, meeting in a special session, adopted the text of Part IV on Trade and Development. The additional chapter to the GATT required developed countries to accord high priority to the reduction of trade barriers to products of developing countries. A Committee on Trade and Development was established to oversee the functioning of the new GATT provisions. In the preceding year, GATT had established the International Trade Centre (ITC) to help developing countries in trade promotion and identification of potential markets. Since 1968, the ITC has been jointly operated by GATT and the UN Conference on Trade and Development (UNCTAD).
- 1973 The Tokyo Round. The seventh Round was launched by Ministers in September at the Japanese capital. Some 99 countries participated in negotiating a comprehensive body of agreements covering both tariff and non-tariff matters. At the end of the Round in November 1979, participants exchanged tariff reductions and bindings which covered more than \$300 billion of trade. As a result of these cuts, the weighted average tariff on manufactured goods in the world's nine major industrial markets declined from 7.0 to 4.7 per cent. Agreements were reached in the following areas: subsidies and countervailing measures, technical barriers to trade, import licensing procedures, government procurement, customs valuation, a revised anti-dumping code, trade in bovine meat, trade in dairy products and trade in civil aircraft. The first concrete result of the Round was the reduction of import duties and other trade barriers by industrial countries on tropical products exported by developing countries.

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- 1974 On 1 January 1974, the Arrangement Regarding International Trade in Textiles, otherwise known as the Multifibre Arrangement (MFA), entered into force. It superseded the arrangements that had been governing trade in cotton textiles since 1961. The MFA seeks to promote the expansion and progressive liberalization of trade in textiles products while at the same time avoiding disruptive effects in individual markets and lines of production. The MFA was extended in 1978, 1982 and again in 1986 for a further period of five years - from 1 August 1986 to 31 July 1991. MFA members account for most of the world exports of textiles and clothing which in 1986 amounted to US\$128 billion.
- 1982 Ministerial Meeting. Meeting for the first time in nearly ten years, the GATT Ministers in November at Geneva reaffirmed the validity of GATT rules for the conduct of international trade and committed themselves to combating protectionist pressures. They also established a wide-ranging work programme for the GATT which was to lay down the groundwork for a new Round.
- 1986 The Uruguay Round. The GATT Trade Ministers meeting at Punta del Este, Uruguay, launched the eighth Round of trade negotiations on 20 September. The Punta del Este Declaration, while representing a single political undertaking, was divided into two sections. The first covered negotiations on trade in goods and the second initiated negotiations on trade in services. In the area of trade in goods, the Ministers committed themselves to a "standstill" on new trade measures inconsistent with their GATT obligations and to a "rollback" programme aimed at phasing out existing inconsistent measures. Envisaged to last four years, negotiations started in early February 1987 in the following areas: tariffs, non-tariff measures, tropical products, natural resource-based products, textiles and clothing, agriculture, subsidies, safeguards, trade-related aspects of intellectual property rights including trade in counterfeit goods, and trade-related investment measures. The work of other groups includes a review of GATT articles, the GATT dispute-settlement procedure, the Tokyo Round agreements, as well as the functioning of the GATT system as a whole. At the end of the third series of meetings of negotiating groups in July 1987, there were 105 countries and territories participating in the Uruguay Round.

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