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1991 A POOR YEAR FOR WORLD TRADE GROWTH BUT U.S. EXCELS AS AN EXPORTER

Uruguay Round conclusion seen as vital
potential boost to growth prospects

World trade last year registered its smallest gain in volume since 1983. Three per cent growth in 1991 represented the third consecutive annual slowdown. The value of world merchandise trade grew by only 1½ per cent, following a jump of 13½ per cent in 1990, and was the smallest gain since 1985. A modest recovery may now be underway, but GATT expects the 1992 result to be an increase in trade volume of only around 4 per cent at best.

These are among the key trade performance figures contained in a report presented by the Director-General to the GATT Council today.* In his report, Mr. Arthur Dunkel stresses the potential role in an elusive

* "Council Overviews of Developments in International Trade and the Trading System", Annual Report by the Director-General. Available free from the GATT Secretariat in Geneva.

world economic recovery of a successful conclusion of the Uruguay Round.
He comments:

"To the extent that the international business community begins to question the ability of governments to deliver the promises that have so often been made and, even more importantly, to the extent that insufficient predictability and security surrounding the rules of the game in international trade is interfering with economic decision making, the course of the Uruguay Round negotiations is playing a role in determining the timing and strength of the recovery from the current slowdown in world economic growth. Success in the current trade negotiations would, from this viewpoint, make a tangible contribution to an improved economic outlook for the world economy."

The report shows that in 1991, the United States again overtook Germany as the world's leading merchandise exporter. In so doing the US boosted the value of its exports by 7½ per cent, five times the world average. In dollar terms, Germany's exports fell by 3½ per cent while its imports rose by 9½ per cent. US imports dropped 1½ per cent.

The strongest overall trade growth - exports and imports - in 1991 was recorded in Asia, with the six leading non-OECD traders in that region reporting growth rates of 10 to 20 per cent for exports and 8 to 30 per cent for imports. At the other end of the scale, rough estimates suggest that the countries of Eastern and Central Europe and the former USSR registered a 20 per cent fall in the value of their collective exports and a 25 per cent drop in imports. The former USSR experienced a 42 per cent fall in imports.

The Director-General's report reflects a high level of activity in GATT outside the Uruguay Round negotiations, especially in the context of dispute settlement, new accessions, regional trading areas and the

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surveillance of national trade policies. The report looks at broad trends in trade policies and work in the GATT. It notes:

- a near-doubling from 96 to 175 of anti-dumping investigations with the United States notifying 52 cases, Australia 46, Poland 24, and the European Community 15;
- the increased enactment and operation of anti-dumping laws in developing countries and in Eastern and Central Europe;
- sixteen new countries which have announced autonomous trade liberalization measures; the report lists 63 countries taking such action since the launch of the Uruguay Round;
- the removal of textile and clothing quota restrictions by Sweden, Peru, Brazil and Yugoslavia;
- the increased use of GATT dispute settlement procedures, but a widening concern at inadequate implementation of adopted panel reports;
- enhanced participation by Eastern and Central European nations in the GATT;
- three new countries joined the GATT in 1991, working parties were dealing with eight other applications and informal soundings on possible membership had been made by several other nations and territories including the Baltic states and some members of the Commonwealth of Independent States.

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