

No. 67/1

THE KENNEDY ROUND OF TARIFF NEGOTIATIONS

On May 15 the Director-General of the General Agreement on Tariffs and Trade, Mr. Eric Wyndham-White, announced in Geneva the successful conclusion of negotiation of the essential elements in the Kennedy Round. The following are excerpts from the statement made by Mr. Wyndham-White on this occasion:

"Almost 50 countries, accounting for around 80 per cent of world trade, have participated in the negotiations, which have been wide-ranging and comprehensive and the most ambitious attempt ever made to achieve the liberalization of international trade. The results are of a far greater magnitude than those obtained in any previous trade negotiations. Through the operation of the most-favoured-nation rule, all GATT countries stand to benefit from these results. In the industrial field, the negotiations have been based on a working hypothesis of a linear tariff reduction of 50 per cent by major industrialized countries and have resulted in important tariff cuts over a very wide range of industrial products. In many areas, reductions of 50 per cent have been agreed. It has been estimated that trade in the products on which concessions have been agreed amounts to some \$40 billion. Among the most difficult problems dealt with multilaterally have been those related to chemicals and steel; on these we have reached agreements of outstanding importance. In the agricultural field, the basic elements to be incorporated in a grains arrangement have been agreed upon after difficult and intensive negotiations. Agreement has been reached on basic minimum and maximum prices of wheats of major importance in international trade. A major innovation is the provision for food aid to developing countries to an amount of 4.1 million metric tons of grain annually. While in other areas results on agriculture have been more modest, there have, nevertheless, been some significant results.

"An anti-dumping code has been agreed upon in the course of the negotiations.

"Agreement has also been reached on action to be taken with respect to certain other non-tariff barriers to trade.