

GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT)

Since 1948, the General Agreement on Tariffs and Trade (GATT) has been the principal international body concerned with liberalizing world trade and negotiating the reduction of trade restrictions and other measures that distort trade. Though Russia and the People's Republic of China have not yet joined, more than 100 countries, responsible for more than 90 per cent of world trade, are GATT members. While GATT sets rules governing international trade only in goods, Gatt's Uruguay Round of negotiations seeks to bring investment, services, intellectual property, and trade in textiles and clothing under GATT discipline.

One of the major functions of GATT is to provide a framework for resolving international trade disputes between governments. When informal talks fail, countries may turn to the GATT dispute settlement process for formal consultation. Ultimately, there is recourse to a GATT panel.

Prior to the current Uruguay Round, there have been seven rounds of multilateral trade negotiations. The most recent, the Tokyo Round, ran from 1973 to 1979 and resulted in several important international agreements. In addition to significant tariff cuts, the Tokyo Round brought greater discipline to the use of non-tariff barriers such as import licensing, government subsidies, customs valuations, technical standards and government purchasing policies. The Uruguay Round is considered by many to be the most ambitious round of trade negotiations ever held under GATT.

The GATT Secretariat has its headquarters in Geneva. The director general is Arthur Dunkel (Switzerland).

GLOBAL ENVIRONMENT FACILITY (GEF)

The Global Environment Facility (GEF) was established in November 1990 as a three-year pilot project to provide financing to developing countries for environmental projects of global benefit in four areas: climate change; biodiversity; international water; and ozone depletion. (Countries eligible for Montreal Protocol Multilateral Fund

financial assistance are not included.) The World Bank, UNEP and UNDP are implementing agencies. Canada's contribution to the pilot phase, including core funding and co-financing, is \$25.2 million.

The GEF is the interim financial mechanism for the climate change and biodiversity conventions. GEF restructuring discussions are to be completed by the end of 1993, in part to meet the conventions' requirements for a financial mechanism with universal membership and a balanced, democratic, equitable and transparent control structure. Discussions on replenishing the GEF for 1994-96 will also be completed in 1993.

GROUP OF SEVEN (G-7)

The Group of Seven (G-7) was created at the 1986 Tokyo Economic Summit. It consists of the finance ministers of the summit countries (Canada, Germany, France, Italy, Japan, the United Kingdom and the United States), and was formed to enhance the surveillance and co-ordination of international economic policies, with a view to improving the economic performance of member countries.

The G-7 meets regularly, often with the participation of the managing director of the IMF.

GROUP OF 15 (G-15)

On the margins of the 1989 Non-Aligned Movement Summit in Belgrade, 15 developing countries decided to hold a summit on economic issues and co-operation among developing nations, or the "South." The first meeting of the G-15, the "Summit Level Group for South-South Consultation and Co-operation," was held in Kuala Lumpur, Malaysia, in June 1990. The second was held in Caracas, Venezuela, in November 1991 and the third in Dakar, Senegal, in November 1992. The presidency of the group rotates, with India currently in the chair. Members are: Algeria, Argentina, Brazil, Egypt, India, Indonesia, Jamaica, Malaysia, Mexico, Nigeria, Peru, Senegal, Venezuela, Yugoslavia (Serbia and Montenegro) and Zimbabwe.