
Preface

Toward the end of World War II, a number of international negotiations were set in motion in order to create institutional structures for the conduct of international relations in the post-war world. One of the most important negotiating processes at the time was the United Nations Conference on Trade and Employment, held in Havana, Cuba, in 1947, after lengthy preparatory stages in New York, London, and Geneva. At the end of this Conference, the Havana Charter for the International Trade Organization was adopted. The proposed ITO was an ambitious undertaking, covering not only trade, but also employment, commodity agreements, economic development, and restrictive business practice. However, for various reasons including the failure of the United States to ratify it, the Havana Charter never entered into force. As part of the negotiations on the Havana Charter, a group of countries engaged in tariff negotiations and in 1947 agreed on substantial tariff reductions.

Pending the entry into force of the Havana Charter, a mechanism was needed to implement and protect the tariff concessions negotiated in 1947. To do so, it was decided to take the Chapter on Commercial Policy of the Havana Charter and convert it, with certain additions, into the General Agreement on Tariffs and Trade. To bring GATT into force quickly, a Protocol of Provisional Application was developed and entered into force in 1948. Thus, GATT was born, as a provisional agreement until such time as the Havana Charter would be ratified. The Protocol of Provisional Application, however, stated that provisions on non-tariff barriers would apply only to the fullest extent “not inconsistent with existing legislation.”

Throughout its 48-year history, GATT provided the structure for a global process of steady trade liberalization through eight “rounds” of multilateral trade negotiations sponsored by its Contracting Parties, covering progressively larger volumes of international trade. This process evolved with its own dynamics, through the initial years of the Cold War, the emergence to independence of many developing countries, the creation of the European Communities, the rise of new and important trading countries, the transition of many nonmarket countries to market economies, the increasing globalization of the world economy, and the

consolidation of the multilateral trading system through the establishment of the World Trade Organization.

This process of trade liberalization achieved the reduction of tariff rates on industrial products in developed countries from an average of around 40 % to less than 4 %; the practical elimination of quantitative restrictions; the development and strengthening of clear rules for the administration of different trade policy measures such as safeguards, subsidies, anti-dumping duties, and technical barriers to trade; and development of procedures to resolve disputes. The eighth GATT round, the Uruguay Round, carried this liberalization forward.

After the Ministerial meeting of GATT Contracting Parties in 1982, which could be regarded as the seeds of the Uruguay Round, and the Ministerial meeting at Punta del Este in 1986, on December 15, 1993, every issue for negotiations was resolved, including market access for goods and services.

On April 15, 1994, the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations was signed by Ministers from most of the 155 governments participating in the Uruguay Round at a meeting in Marrakesh, Morocco.

The World Trade Organization is the institutional framework of the multilateral trading system. The Marrakesh Agreement, establishing the World Trade Organization, is included in the Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations. It constitutes the principal result of the Uruguay Round and incorporates, in its Annexes, the multilateral agreements on trade in goods including the General Agreement on Tariffs and Trade, the General Agreement on Trade in Services, the Agreement on Trade-Related Aspects of Intellectual Property Rights, the Understanding on Rules and Procedures Governing the Settlement of Disputes, the Trade Policy Review Mechanism, and, for those countries having accepted them, the plurilateral trade agreements.

The Uruguay Round was the most ambitious negotiating exercise ever undertaken multilaterally. The negotiations made improvements on GATT provisions through understandings of GATT Articles; strengthened the institutions of the multilateral trading system through the creation of the WTO and the adoption of the integrated dispute settlement system; gave a more precise focus to disciplines on contingent remedy action, such as safeguards, anti-dumping, and countervailing measures; modernized border regimes through agreements on customs valuation, rules of origin, import licensing procedures, pre-shipment inspection, etc.; integrated trade in agricultural products and in textiles and clothing into the mainstream of GATT rules; adapted to the process of globalization of the world economy through the adoption of multilateral rules on trade in services and intellectual property rights protection; and further liberalized world markets through market access negotiations on all products, including agricultural products and tropical products, and trade in services.

Besides, substantial improvement in market access conditions was achieved through an average reduction in tariffs for industrial products of about 38 %.

One hundred and twenty-five countries participated in the Uruguay Round. This is another indication of the global scope and coverage of these negotiations. Unlike

the Tokyo Round of 1973–1979, in which developing countries, whether members or not of GATT, were invited to participate fully in the negotiations with no preset conditions, participation in the Uruguay Round was open only to those countries declaring their intention to accede to GATT through the negotiations.

The creation of the WTO and the adoption of the integrated dispute settlement mechanism provide a solid legal basis for the multilateral trading system and for international cooperation and consultation on international trade relations.

The results of the Uruguay Round constitute a global, integrated, and interrelated package, which covers the interests of all trading partners, large and small. The new institutional and legal status of the WTO, with its integrated dispute settlement system, provides a framework for certainty, security, and stability of market access conditions, not only for trade in industrial products but also for trade in agriculture, in textiles and clothing, in services, as well as a new, coherent system of protection of intellectual property rights. The overall results of the Uruguay Round are contained in more than 500 pages of legal texts, plus over 26,000 pages of schedules of concessions and commitments in market access for goods and schedules of specific commitments on trade in services. These schedules are an integral part of the WTO Agreement.

Particularity, for the first time in history, a multilateral framework of rules was adopted for international trade in services. It consists of the General Agreement on Trade in Services (GATS), based on general rules and principles, negotiated specific commitments, and commitment to progressive liberalization through future rounds of negotiations on trade in services. Protection of intellectual property rights at the international level was systematically restructured on the basis of existing conventions; the adoption of new disciplines on the availability, scope, coverage, and use of intellectual property rights; and clear rules for their enforcement. It consists of the Agreement on Trade-Related Aspects of Intellectual Property Right (TRIPs). An important work program was also adopted on the relationship between international trade and the protection of the environment, and other issues such as investment and competition policies were clearly indicated as potential subjects for future negotiations.

In publishing this text book, I have benefited very much from the valuable materials of the WTO Homepage (http://www.wto.org/english/info_e/cont_e.htm) and its official documents. Without such materials and documents, I could not attempt to publish this book.

Particularly, I would like to thank the WTO Secretariat for the permission to use such materials in publishing this book, as well as Mr. Bernard Kuiten, Head of External Relations, for his kind and deep consideration extended to me. Special appreciation should be expressed to Mr. Eki Kim, Counselor, Market Access Division of the WTO, for his valuable comments and advice in bringing about this book.



<http://www.springer.com/978-3-642-31142-0>

World Trade Regulation
International Trade under the WTO Mechanism
Lee, E.S.
2012, XVI, 416 p., Hardcover
ISBN: 978-3-642-31142-0