

# FACULTY OF JURIDICAL SCIENCES

# Lecture-13



# **General Agreement on Tariffs and Trade** **(GATT)**

The General Agreement on Tariffs and Trade (GATT), signed on October 30, 1947, by 23 countries, was a legal agreement minimizing barriers to international trade by eliminating or reducing quotas, tariffs, and subsidies while preserving significant regulations. The GATT was intended to boost economic recovery after World War II through reconstructing and liberalizing global trade.

The GATT went into effect on January 1, 1948.

Since that beginning it has been refined, eventually leading to the creation of the World Trade Organization (WTO) on January 1, 1995, which absorbed and extended it. By this time 125 nations were signatories to its agreements, which covered about 90% of global trade.

The Council for Trade in Goods (Goods Council) is responsible for the GATT and consists of representatives from all WTO member countries. As of September 2020, the chair of the Goods Council is Swedish Ambassador Mikael Anzén. The council has 10 committees that address subjects including market access, agriculture, subsidies, and anti-dumping measures.

- The General Agreement on Tariffs and Trade (GATT) was signed by 23 countries in October 1947, after World War II, and became law on Jan. 1, 1948.
- The purpose of the General Agreement on Tariffs and Trade (GATT) was to make international trade easier.
- The General Agreement on Tariffs and Trade (GATT) held eight rounds in total from April 1947 to December 1993, each with significant achievements and outcomes.
- In 1995, the General Agreement on Tariffs and Trade (GATT) was absorbed into the World Trade Organization (WTO), which extended it.

## **History of the General Agreement on Tariffs and Trade (GATT)**

The GATT held eight rounds of meetings between April 1947 and December 1993. Each of the conferences had significant achievements and outcomes.

- The first meeting was in Geneva, Switzerland, and included 23 countries. The focus in this opening conference was on tariffs. The members established tax concessions touching over US\$10 billion of trade around the globe.

- The second series of meetings began in April 1949 and were held in Annecy, France. Again, tariffs were the primary topic. Thirteen countries were at the second meeting, and they accomplished an additional 5,000 tax concessions reducing tariffs.
- Starting in September 1950 the third series of GATT meetings occurred in Torquay, England. This time 38 countries were involved and almost 9,000 tariff concessions passed, reducing tax levels by as much as 25%.
- Japan became involved in the GATT for the first time in 1956 at the fourth meeting along with 25 other countries. The meeting was in Geneva, Switzerland, and again the committee reduced worldwide tariffs, this time by US\$2.5 billion.

This series of meetings and reduced tariffs would continue, adding new GATT provisions in the process. The average tariff rate fell from around 22%, when the GATT was first signed in Geneva in 1947, to around 5% by the end of the Uruguay Round, concluded in 1993, which also negotiated the creation of the WTO.

In 1964 the GATT began to work toward curbing predatory pricing policies. These policies are known as dumping. As the years have passed, the countries have continued to attack global issues, including addressing agriculture disputes and working to protect intellectual property.