Resolution 796 (1983)[1]

Developments in international trading

Parliamentary Assembly

The Assembly,

1. Having regard to the report on developments in international trading presented by its Committee on Economic Affairs and Development (Doc. 5052) ;

2. Noting that the volume of international trade levelled off in 1981 and went down in 1982 ;

3. Considering that additional non-tariff barriers to trade are largely responsible for this situation, and that, despite appeals by OECD and GATT, the international trading system is becoming less liberal and more protectionist ;

4. Welcoming GATT's efforts to liberalise world trading, but noting with regret that a substantial portion of world trade, in particular intra-group trade and trade within such sectors as agriculture and services, falls almost entirely outside the scope of the General Agreement ;

5. Observing that sectoral and bilateral arrangements are becoming increasingly prominent features of the international trading system, and that the GATT rules are frequently ignored to the detriment of the developing countries ;

6. Recalling that in the 1970s the developing countries represented the most dynamic element in world trading ;

7. Noting that imports from the Third World to the countries of OECD's Development Assistance Committee at present account for only a very small proportion of their total consumption of manufactured products, and that the developing countries constitute a substantial market for products from the industrialised countries ;

8. Deploring the fact that the countries of the world are tending to form two separate groups : on the one hand, the industrialised countries faced with serious problems of unemployment and under-utilisation of production capacity and, on the other, most developing countries, potential importers of products from the industrialised countries, but lacking the means to purchase them because of their heavy burden of debt, the deterioration of their terms of trade and the decline of official development assistance ;

9. Aware that protective customs measures may be necessary in some cases- to cope with serious employment and balance of payment problems and protect "infant" industries, for example- but can be justified only if they are temporary, non-discriminatory and accompanied by adequate industrial restructuration measures ;

10. Convinced, however, that in the long term protectionism leads to economic paralysis, lower living standards and mounting international tension,

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1. Assembly debate on 26 April 1983 (2nd and 3rd Sittings) (see Doc. 5052Doc. 5052, report of the Committee on Economic Affairs and Development). Text adopted by the Assembly on 26 April 1983 (3rd Sitting).

11. Calls on the governments of Council of Europe member states :

a. With regard to their economic policies : to make greater efforts to implement concerted policies designed to boost non-inflationary and employment-generating economic growth, resulting in a decrease in protectionist pressures and an expansion of international trade ;

b. With regard to their commercial policies :

1. to implement the principles of multilateralisation, non-discrimination and transparency in the formulation of their international trading policies, giving, however, preferential treatment to the developing countries, in accordance with the principles agreed upon in the competent international organisations ;

2. to appoint independent bodies at national level bringing together representatives of management, labour and consumer interests, to establish the economic causes of the problems confronting business enterprises that apply for protection, assess the need for protection in the light of economic constraints and multilateral commitments, and, if appropriate, make recommendations as to how such problems can be solved in an internationally acceptable manner ;

3. to refrain from taking unilateral measures that could operate to the detriment of their trading partners, especially measures that discriminate against the developing countries ;

4. in the event of a certain degree of protectionism being considered indispensable, to set a time-limit for the action envisaged, effect such structural adjustments as are necessary for keeping within that limit, and endeavour to ensure that Third World exports are unaffected ;

5. to make a regular statistical review of all the protective measures taken for the benefit of industry, agriculture and services, and discover what effects they are having on the other producers, the consumers and the developing countries ;

6. to implement structural adjustment policies designed, once allowance is made for employment problems, to encourage internationally uncompetitive businesses gradually to rationalise their production methods or change their lines of production, on the understanding that businesses wishing to continue operating in areas where the developing countries have a comparative advantage should be given no more than minimum assistance ;

7. to organise regular large-scale consultations in the framework of OECD, GATT, UNCTAD and other competent institutions, on the subject of structural adjustment policies and national production, technology and investment objectives, with due regard for the development and trading objectives of the developing countries ;

c. With regard to their policies vis-à-vis developing countries :

1. to encourage the development of trade with these countries, especially those which are the least advanced, and to put an end to measures which discriminate against them (subordination of customs tariffs to non-tariff measures, decline of the unconditional nature of the most-favoured-nation clause, reciprocity, surveillance, graduation, etc.) ;

2. to harmonise their preference schemes in the framework of the Generalised System of Preferences, incorporate non-tariff measures and agricultural products into those schemes and render them more reliable ;

3. to make more flexible use of the rules of origin in the Lomé Convention ;

4. to endeavour to guarantee more reliable outlets and more acceptable prices for the developing countries' exports, and explore the possibility of refunding to those countries the revenue from the taxes levied on their exports ;

5. to give the developing countries the technical assistance necessary for enabling them to make better use of the GATT rules, in particular for the settlement of disputes ;

6. to ratify the Agreement establishing the Common Fund for Commodities, if they have not already done so ;

12. Calls upon GATT :

12.1. to expedite the inclusion of agricultural products, services and non-tariff measures in the General Agreement ;

12.2. to define "market disruption" more precisely and, with regard to Article XIX of the General Agreement (safeguards) and the Codes, to oblige the importing country to supply evidence of damage ;

12.3. to develop its co-operation with UNCTAD and the other competent international institutions with a view to :

a. analysing and, if appropriate, reducing the impact of present developments in international trading on the developing countries, and making recommendations to governments for a more satisfactory international division of labour ;

b. setting up more stringent machinery for the multilateral surveillance of anti-dumping and countervailing measures and of agreements relating to "voluntary" export restraints.