International Trade Law

Module one (History and sources of international trade law)
Unit three (Origins of World Trade Organization)
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Effects of noncoordinated tariff policy

Fordney–McCumber Tariff act (1922)

European Countries (eg. France) start to rise their tariffs

League of Nations opts for minimalisation and finally abundance of tariff instruments (1927)

Smoot–Hawley Tariff act (1930)
The effect of protectionism on world trade, 1929–33

Trade figures: per month

Bretton Woods Conference (United Nations Monetary and Financial Conference) 1944

- The formulation of new post war economic order
- Limiting the scope of political influence on international economy
- Liberalising the trade
- Assuring resources for post war reconstruction
- Creating mechanism of currency exchange rates stabilisation
Three pillars of Bretton Woods system

- World Bank
- International Monetary Fund
- International Trade Organization
Economic and Social Council meeting (1947)

- Draft of ITO charter (not accepted)
- Schedules of tariff reductions
- Multilateral treaty containing general principles of trade – General Agreement on Tariffs and Trade (GATT)
Protocol of Provisional Application to apply the GATT provisionally on and after January 1948

• Parties to the GATT – „contracting parties” not „member states”

• Lack of legal personality of GATT

• GATT has only „provisional application”

• Ambiguity and confusion about GATT’s authority, decisionmaking ability and legal status
<table>
<thead>
<tr>
<th>Year</th>
<th>Name of the round</th>
<th>Main subject of negotiations</th>
<th>Number of countries</th>
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<tr>
<td>1947</td>
<td>Geneva</td>
<td>Tariffs</td>
<td>23</td>
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<tr>
<td>1949</td>
<td>Annency</td>
<td>Tariffs</td>
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<td>1951</td>
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<td>Tariffs</td>
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<td>1956</td>
<td>Geneva</td>
<td>Tariffs</td>
<td>26</td>
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<td>1960-1961</td>
<td>Dillon Round</td>
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<td>1964-1967</td>
<td>Kennedy Round</td>
<td>Tariffs + antidumping</td>
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<td>1973-1979</td>
<td>Tokyo Round</td>
<td>Tariffs + non tariff barriers + subsidies + antidumping</td>
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<td>1986-1994</td>
<td>Uruguay Round</td>
<td>Establishment of WTO + Tariffs + non tariff barriers + services + IP</td>
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<td>2002-</td>
<td>Doha round</td>
<td>Tariffs, Agriculture, services, IP, gouvernement procurment, environment, competition, e-commerce</td>
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The creation of WTO

• Risk of GATT a la carte
• Finally the institutional form for world trade was created
• Need to reform the whole world trading system
  – New areas of interests
  – New focus points
  – Shift in the participation of Low Developed Countries
• Changes to the dispute resolution system
The Multilateral Trading System

Functions of the WTO

- Mechanism for the exchange of trade policy commitments
- Code of Conduct for Trade Policy
- Trade disputes settlement
Aim of the WTO

• Objectives (preamble WTO)
  – Increase of standard of living
  – Attainment of full employment
  – Allowing optimal use of the world’s resources, objective sustainable development
  – Protect and preserve environment
  – Share of growth for developing and least developed countries

• Through reduction of trade barriers and elimination of discrimination
THANK YOU FOR YOUR ATTENTION