

BUFF/94/79

August 23, 1994

Statement by the Staff Representative on the
Comprehensive Trade Paper
Executive Board Meeting 94/74
August 24, 1994

As Directors are aware, a staff paper on the legal aspects of the relationship of the World Trade Organization with the Fund is under preparation and is expected to be issued for discussion after the Annual Meetings. It will be accompanied by a background paper that will describe institutional aspects of the WTO, legal status, membership, functions, and decision-making process.

The forthcoming Legal paper will focus on jurisdictional aspects of the relationship of the WTO with the Fund. The paper first will review legal aspects of the existing Fund/GATT relationship, describing the jurisdictional framework of obligations in the area of trade in goods with respect to the Fund as outlined in GATT Article XV, and Fund participation in the consultations held in the GATT Committee on Balance of Payments Restrictions pursuant to measures taken under GATT Articles XII and XVIII:b. The paper will also set out the legal framework establishing the relationship of the WTO with the Fund under the Final Act. The nature of this relationship will be discussed, first for trade in goods and then for trade in services, emphasizing the main jurisdictional issues presented and the Fund's role in balance of payments consultations under these agreements.

The Comprehensive Trade Paper (CTP) considers key issues related to policy coherence, consistency of policy advice, and collaboration which bear importantly on the future of Fund/WTO collaboration to achieve greater coherence in global economic policy making (Issues Paper (SM/94/192, pp.38-47)). The staff would invite Directors' preliminary comments on these issues related to Fund/WTO collaboration at tomorrow's meeting of Executive Directors on the CTP.