

# I Introduction

This study reviews recent developments in international trade policies in selected industrial countries. It was prepared for the June 1981 *World Economic Outlook*.<sup>1</sup> In addition to giving information on recent trade actions in industrial countries and data on trends in trade, production, consumption, and other variables in selected economic sectors affected by protectionist pressures, it reviews recent changes in the international framework relating to the conduct of world trade, focusing especially on the implications of trade policy developments for developing countries.

As a continuation of the annual surveys carried out by the staff for the *World Economic Outlook*, the paper also reflects the evolution of world economic policies and recognizes the difficulties of arriving at internationally acceptable solutions to current problems. While attempting to explain the current issues in trade policy, the paper is not intended to be either a comprehensive inventory of trade actions or an analysis of the comparative restrictiveness of various trading nations' policies. Rather, the focus is on recent develop-

ments in trade policies, with the exception of specific trade actions in the agricultural sector.

In addition to the usual sources and the information from Fund missions, a Fund staff team held discussions with U.S. officials in Washington, D.C., in November–December 1980, and two staff members visited Brussels, Paris, and Geneva in January 1981 to discuss international trade policies with officials of the Commission of the European Communities, the Organization for Economic Cooperation and Development (OECD), the General Agreement on Tariffs and Trade (GATT), and the United Nations Conference on Trade and Development (UNCTAD).<sup>2</sup>

Section II of this paper describes some of the agreements resulting from the recently concluded Tokyo Round of Multilateral Trade Negotiations (MTN) and other developments that could be important to the future of protectionism. Section III then discusses the recent pressures for protection and the evolution of trade policies and actions in selected sectors and countries in the last two years. In Section IV, some implications are drawn from recent developments for the developing countries. More detailed information, including statistical tables, is given in the appendices.

<sup>1</sup> *World Economic Outlook: A Survey by the Staff of the International Monetary Fund*, Occasional Paper No. 4 (Washington, June 1981). An earlier Fund staff survey appears in *The Rise in Protectionism*, IMF Pamphlet Series, No. 24, by the Trade and Payments Division, Bahram Nowzad, Chief (Washington, 1978). See also Selected References at the end of the paper.

<sup>2</sup> The special assistance of the IMF Office in Europe and the IMF Office in Geneva is gratefully acknowledged.