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1 PREAMBLE

1.1 Text of the Preamble

The Governments of the Commonwealth of Australia, the Kingdom of Belgium, the United States of Brazil, Burma, Canada, Ceylon, the Republic of Chile, the Republic of China, the Republic of Cuba, the Czechoslovak Republic, the French Republic, India, Lebanon, the Grand-Duchy of Luxemburg, the Kingdom of the Netherlands, New Zealand, the Kingdom of Norway, Pakistan, Southern Rhodesia, Syria, the Union of South Africa, the United Kingdom of Great Britain and Northern Ireland, and the United States of America:

Recognizing that their relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding the production and exchange of goods,

À k\]Y U`ck]b[Zcf h\Y cdh]a U` i gY cZ h\Y k cf'X'g fYgci fWg]b
accordance with the objective of sustainable development, seeking both
to protect and preserve the environment and to enhance the means for
doing so in a manner consistent with their respective needs and concerns
at different levels of economic development À [.]”²

1.3 Second recital

1.3.1 "entering into reciprocal and mutually advantageous arrangements"

3. The wording of the second recital of the preamble to the GATT 1994 is mirrored in the preamble to the WTO Agreement. Panels and the Appellate Body have considered one or both of these similarly-worded recitals in a number of cases, including but not limited to the following:

4. In _____, the Appellate Body stated that:

"[T]he security and predictability of 'the reciprocal and mutually advantageous arrangements directed to the substantial reduction of tariffs and other barriers to trade' is an object and purpose of the WTO Agreement, generally, as well as of the GATT 1994."³

5. In _____, the Panel stated that:

"Taken together, the relevant aspects of the WTO Agreement and the GATT 1994 indicate that concessions made by WTO Members should be interpreted so as to further the general objective of the expansion of trade in goods and the substantial reduction of tariffs. It is also clear that such an interpretation is limited by the condition that arrangements entered into by Members be reciprocal and mutually

It is not consistent with the objective of promoting

"At the conclusion of the Uruguay Round Members reiterated the same general objective and principles in the GATT 1994 Understanding on Article XXIV:

' that the purpose of such agreements should be to facilitate trade between the constituent territories and not to raise barriers to the trade of other Members with such territories; and that in their formation or enlargement the parties to them should to the greatest possible extent avoid creating adverse effects on the trade of other Members;'