



Economics Class Notes for IAS and PCS

Chapter no 4: IMF

IMF

- IMF (International Monetary Fund) and IBRD (International Bank for Reconstruction and Development) called "Bretton Woods twins"
- IMF HQ at Washington and IMF have 190 Member with Director Kristina Lagarde
- SDR – Special Drawing Right is International Reserve Asset created by IMF. SDR is 5 type. Dollar (1) + Euro (2) + Pound (3) + Sterling (4) + Yen (5)
- IMF gives loans at concession interest rate to low income country for (i) Poverty reduction & growth facility.
- Extended fund facility (EFF) is help countries addressing long term in BoP (Balance of Payment) problem requiring fundamental economic reform.

GATT

- General Agreement on Tariffs & Trade is an agreement that was arrived in 1947 by 23 countries to establish free & fair international trading, based on dismantling of trade barrier or non-tariff, restriction like – Quota
- GATT – Headquarter – Geneva
- In 8th Uruguay Round – WTO set up (Doha round is 1st round in 2001 of WTO (world trade organization)).
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WTO

- WTO Director – Roberto Azevedo from Brazil.
- Highest decision making body is ministerial conference (Authority Council) (meet twice in a year) – commerce minister participate
- Dispute Settlement Body (DSB) – (Authority council act as DSB) → (60 days to resolve problem conclusion challenged in Appellate body)
- In WTO, There is Trade Policy Review Body (TPRB)

AoA

- Agreement on Agriculture
- Green Box – Not Restricted, Not considered as trade dismantle subsidiary given.
- Amber Box – distorting trade, only support within 5 – 10% value of Production
- Blue Box – Direct payment not allowed and it highly affects the trade
- TRIPS (Trade Related Aspects of Intellectual Property Right)
- Legal Protection – copyright, GI (Geographical Indicators), Industrial design, Integrated Circuit, Layout design, Patents, Development of New Plant/ variety, trade mark, labor



standard
➤ NAMA – Non Agriculture Market Access related to Trade Negotiation on Non Agriculture/ Industrial Product.
➤ AMS – Aggregate Measurement of Support mean Support provided by government to agriculture sector.
➤ Anti – Dumping duties – If a product sold, in home market below the cost production.
➤ Counter Vailing duties – Special duties imposed on import to offset injurious effect of Subsidies to produce or export.
➤ Natural Treatment – No MFN (Most favored nations)
➤ Non Traffic Barrier – Traffic Barrier (License, standard, rule)
➤ MFN (Most Favored Nation) – provide any concession privilege or granted in Trade agreement.
➤ G – 7 members: UK + USA + Canada + Germany + Italy + France + Spain
➤ Non-Traffic is way to restrict trade using trade barrier in a form other than traffic. Ex. Quota, standard license, quality, foreign exchange, technical, regulatory, state trading, Preferential Agreement.
Traffic Barrier
➤ Anti-dumping duty
➤ Traffic
➤ Quota
➤ Subsidies
➤ Voluntary export restraint



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