



# Economics Class Notes for IAS and PCS

## Chapter no 4: IMF

<b>IMF</b>	
➤	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 Kristalina 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 borrow 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.
<b>GATT</b>	
➤	General Agreement on Trade & Tariffs is agreement that was arrived in 1947 by 23 countries to establish free & fair international trading, based on dismantle of trade barrier or non-trade, restriction like – Quota
➤	GATT – Headquarter – Geneva
➤	In 8 <sup>th</sup> Uruguay Round – WTO set up (Doha round is 1 <sup>st</sup> round in 2001 of WTO (world trade organization) ).
➤	
<b>WTO</b>	
➤	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)
<b>AoA</b>	
➤	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 effect the trade
➤	TRIPS (Trade Related Aspect of Intellectual Property Right)
➤	Legal Protect – 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 Trader 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.
➤ Countervailing 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.
<b>Traffic Barrier</b>
➤ Anti-dumping duty ➤ Traffic ➤ Quota ➤ Subsidies ➤ Voluntary export restraint



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