

Gatt 24 and free trade

The Governor of the Bank of England tells us we cannot escape tariffs by offering to negotiate a free trade agreement. If the EU agrees to free trade talks as we leave the EU then we can.

Gatt is a Treaty designed to promote ever freer trade. Article 24 allows members of Gatt – now the WTO – to negotiate free trade agreements with each other that go further than the trade liberalisation and tariff reduction offered to all other members by the states concerned. The two states must not seek to raise barriers with others as a result of proposing a Free Trade Agreement between themselves. The aim “should be to facilitate trade between the constituent territories and not to raise barriers to the trade of other contracting parties with such countries”

The only requirement to gain GATT approval for having no tariffs on each other's trade whilst in negotiation is that the two states or customs unions must agree “ a plan and a schedule for the foundation of such a free trade area within a reasonable length of time”.