MINUTES OF MEETING

Held in the Centre William Rappard on 23 April 1991

Chairman : Mr. Lars E.R. Anell (Sweden)

Overview of Developments in International Trade and the Trading System

1. Pursuant to the Decision taken by the CONTRACTING PARTIES on 12 April 1989 (L/6490, part I.F), the Council held a special meeting on 23 April 1991 to conduct an overview of developments in international trade and the trading system. The discussion was assisted by the Annual Report by the Director General (C/RM/OV/2), reviewing broad trends in the world economy, setting out major GATT activities and highlighting significant policy issues affecting the trading system.

2. Introducing the discussion, the Chairman noted that in November 1990, the Council had agreed to postpone its annual overview meeting because of the pressure of work related to the Uruguay Round, and in particular to the Brussels meeting. He recalled that the purpose of the meeting was to carry out an overview of developments in the international trading environment which were having an impact on the multilateral trading system, including developments relevant to an “early warning” of possible future trends in world trade and the trading system. The annual overview meetings constituted an important complement to the enhanced surveillance conducted through the regular reviews of trade policies and practices of individual contracting parties. Where official notifications were inadequate, the report relied partly on unofficial information which was checked by the Secretariat with the delegations concerned. He encouraged representatives to draw attention to significant changes which should be made in the document, and to inform the Secretariat of minor changes after the meeting.

3. The Director General said that the report was as brief and as factual as possible. He hoped that the discussion would concentrate on events forming the backdrop to the Report, rather than on detailed points in it. The report contained three main sections, the first dealing with world output and trade, the second with trade policy developments from January 1990 through March 1991, and the third with pursuing and, more importantly, concluding the Uruguay Round.

4. It was sometimes overlooked that GATT activities were entirely aimed towards facilitating the task of those who invest, produce, export, import and consume. In other words, Council discussions had a direct relationship.
with the real world. The world economy was now in a less active phase. The challenge to governments was thus to ensure a genuine recovery in as short a time as possible. In this context, it was evident that the delay in the conclusion of the Uruguay Round had contributed to uncertainty in the world economy as a whole. Governments represented in the Council must take matters in hand again and show the necessary political will to end this situation as rapidly as possible.

5. He welcomed the fact that the number of contracting parties to the GATT continued to increase. Each accession was accompanied by the adoption by the country concerned of policies more in line with GATT rules and principles. This should encourage the "old hands" among GATT's contracting parties to promote the trend by doing likewise. Other countries were also interested in joining GATT. It was perhaps at the same time paradoxical and encouraging that, while contracting parties were having so much difficulty taking the political decisions necessary to achieve concrete results in the Uruguay Round, others were ready to take concrete steps to accede to the General Agreement.

6. In the Council's subsequent discussion, the Director General's Annual Report was generally welcomed as an important tool for understanding the broad macroeconomic and trade implications of recent developments. It was an interesting document which would provide valuable assistance to the Council in making its annual overview of developments in the international trading environment.

7. The representative of the United States spoke of the need for expanding and strengthening the international trading system. Trade was a source of strength in a generally weaker economic environment. This was confirmed by the fact that world trade had continued to grow more rapidly than world output in 1990. At the same time, he noted that declining international prices for certain agricultural products had exerted pressure on the budgetary cost of agricultural support programmes. In this situation, there were compelling reasons for successfully completing the Uruguay Round on the basis of agreements to strengthen the international trading system as a whole and, in particular, to reduce substantially trade-distorting expenditures in agriculture.

8. Referring to the failure to conclude the Uruguay Round in Brussels, he said that not only was the degree of predictability facing firms around the world affected, but also the credibility of the GATT itself. The United States remained firmly committed to a successful completion of the Round.

9. The United States strongly supported the institution of market-based mechanisms and liberal trading conditions in central and eastern European countries. This offered the possibility of actually applying GATT provisions to conditions of trade and market access in these countries. The successful realization of these reform programmes would strengthen the GATT system. The enhanced commitments to GATT provisions by countries which had recently joined, strengthened the entire GATT system and set achievable standards for other contracting parties. Contracting parties should reflect on terms which might be negotiated with other applicants for
future membership, and on the ability of such applicants to strengthen and contribute to the GATT system.

10. Concerning regional trade initiatives, the representative of the United States noted that some developing countries, in particular, had not notified, or submitted for review, such arrangements. This was regrettable for the GATT system. All contracting parties participating in regional preferential trade agreements, especially those aspiring to full economic integration, should observe the notification and review requirements established in Article XXIV and the Enabling Clause.

11. The representative of the United States stated that Appendix Table 2 of the report had ignored several significant liberalization measures taken by the United States since the beginning of the Uruguay Round. These included the termination of several Article XIX import restrictions, such as those on motorcycles (ended in April 1988) and on specialty and carbon steel (some of which were folded into the United States' VRA programme). The quota-based US sugar import regulation was converted to a tariff-based system and expenditures on agriculture support programmes were reduced by almost 40 per cent during the period 1986 to 1991, while the recently implemented 1990 Farm Bill increased the market orientation of support policies. Major trade liberalization had also occurred through the implementation of a free trade agreement with Canada. Market access under the GSP scheme had been increased significantly, thus expanding trading opportunities for beneficiary countries. These measures should, in the interest of equity, be noted in the report.

12. The representative of Australia said that a number of elements presented in the report underlined the importance of bringing the Uruguay Round to a successful conclusion. These elements included the slowdown in world trade and output growth, including in some major economies and, the poor state of markets for some key commodities. For example, the international price of wheat was seriously depressed, while the gap between international and domestic prices in western Europe had risen sharply. Export subsidies granted by several leading exporters had considerable adverse effects on efficient agricultural producing countries.

13. Growing regionalism was evident through the continuing evolution of existing arrangements, as well as through new initiatives in Europe and the Americas. While such regional arrangements had usually been undertaken with a view to avoiding new barriers to third countries' trade, there remained a grave risk that the multilateral basis of the world trading system could be seriously weakened if the trend towards regionalism was not carefully monitored.

14. Unilateral trade liberalization undertaken by a growing number of countries demonstrated a desire for fuller participation in the global economy and the multilateral trading system. In this connection, he noted that Australia was also continuing its programme of tariff reduction introduced in 1988, with a view to achieving an average 3 per cent tariff level by the end of the decade.
15. The world was in a period of great change and uncertainty, with many potential risks for the GATT-based multilateral trading system. Lower growth in economic activity could give rise to protectionist pressures, while the trend towards regionalism might be accompanied by inward-looking policy approaches. The transition of central and eastern European countries to market-oriented economies showed their desire for greater integration into world trade. The impact of environmental policies on trade reinforced the need for a strong and healthy multilateral trading system. If world markets continued to be distorted and protected, unilateral liberalization initiatives would be discouraged, and the number of unresolved trade disputes would grow. Against this background, the successful conclusion of the Uruguay Round as soon as possible, with substantial results in key areas, would remove a major source of uncertainty, promote the process of trade liberalization, reduce conflicts between regionalism and the multilateral trading system, and strengthen the GATT dispute settlement system.

16. The representative of the European Communities was impressed by the content and language of the Director General's Report. It was a concise document which demonstrated the expanding role of the GATT. Its brevity contained inherent risks, since some statements were too brief, bald and unsupported by other information, but the analytical approach of the report was a valuable complement to other aspects of GATT work. However, the broader environment within which trade was conducted - notably, the macroeconomic background, and the impact of exchange rates on trade developments - should be covered by future reports. He remarked that the world trade system was moving so rapidly that even a report including the most recent known developments quickly appeared out of date.

17. The "magnetism" of the GATT in attracting new members could decrease if the progress in the Uruguay Round negotiations was not maintained. He noted that not all applicants for GATT membership were mentioned in the report. He welcomed the greater automaticity and reduced procedural delays in dispute settlement that had resulted from the Montreal agreements. However, many problems remained in relation to the adoption and implementation of Panel reports. Improvements through the standardization of the terms of reference could only be achieved within the context of a unified system of dispute settlement covering all GATT-related legal instruments. The present fragmented system gave rise to a risk of distortion through "forum shopping" and the denial of rights which might exist under one or other instrument. In addition, he said, the report was too simplistic in its discussion of Panel report implementation. While the implementation of some Panels was not linked to the Uruguay Round, others did really depend on the negotiating process.

18. The representative of the European Communities felt that the statements made in the report concerning the Multifibre Arrangement were oversimplified. The health of the textiles trade depended on a myriad of factors at frontiers, within individual countries, and in areas such as subsidization, dumping and trade marks. Overall, imperfections in present GATT rules explained why certain trade policy developments happened outside
the GATT framework and served to emphasize the need for a rapid conclusion to the Uruguay Round.

19. The Communities' representative said that "Section 301" continued to be a threat to the multilateral system. He also recalled that the system had to coexist with regional integration; the Communities could not accept the idea that regional trading arrangements ran counter to the objectives of the system. Finally, he noted that recent actions by the Communities vis-à-vis central and eastern Europe were not fully reflected in the Director General's report.

20. The representative of Romania fully agreed with the conclusions of the report. The periodical overview was beneficial for all contracting parties. Economies in transition were confronted with complex problems. Efforts to resolve these problems could not succeed without consistent support by the international community. Romania was facing significant difficulties in implementing its economic reforms because of the consequences of the Gulf crisis, the dismantling of the CMEA and the economic slowdown in developed countries.1 Thanking the Secretariat for the assistance provided to his Government to date in conceiving and refining some components of its new trade policy, he hoped that the assistance would continue in order to facilitate Romania's deeper integration into the world economy through the implementation of market-oriented mechanisms. Finally, he looked forward to a successful and rapid conclusion of the Uruguay Round. This would mean, for Romania, new possibilities to implement trade policy reforms in a better economic climate ensured by a reinforced, more stable and transparent multilateral trading system.

21. Noting that the report indicated the increased importance of capital flows and trade in commercial services, the representative of Japan expressed the hope that the final results of the Uruguay Round would successfully establish rules and disciplines to govern trade in services and trade-related investment measures. In the multilateral trading system, a country's overall current account balance was of greater significance than its bilateral balances with particular countries or groups. The roles played by trade in services and investment should be taken into account in this context.

22. The Uruguay Round was a top priority for Japan, as for other contracting parties. However, the importance of other GATT work had not diminished. Japan welcomed and highly appreciated the smooth operation of the Montreal Mid-term Review agreement on dispute settlement, which had eliminated significant delays in the Panel process.

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1A statement on Romania's reform programme was delivered to the regular Council meeting on 24 April 1991 (C/M/249, agenda item 3).
23. The representative of Japan agreed that the issue of the relationship between trade and the environment should be actively examined by the GATT, as well as in other international bodies. An increasing number of contracting parties were apparently resorting to trade restrictive measures in the name of protection of the environment. Environmental measures were not justifiable in the GATT if they constituted disguised obstacles to international trade.

24. Japan welcomed the positive elements in the international trading system, including new accessions to the GATT, the disinvocation of Article XVIII:B by four countries, and the greater integration of central and eastern European countries to the multilateral trading system. In spite of these positive movements, some problems were still to be solved, including the dangers of regionalism, bilateralism or unilateralism. Finally, he said that Japan's liberalization efforts were not fully covered in the list given in Appendix Table 2. For example, in 1990, Japan autonomously eliminated tariffs on 1,004 items.

25. The representative of India said that the broad changes occurring in the trading system were reflected in the report; however, it was necessary in some cases, to read between the lines. He endorsed the Director General's emphasis on the effect of GATT on "real world" developments. An increasing number of countries were joining the GATT in the hope of participating in the benefits from an enhanced multilateral trading system. The trade policy reform programmes undertaken by central and eastern European countries were also linked to this hope.

26. The representative of India welcomed the satisfactory functioning of the dispute settlement mechanism resulting from the changes introduced at the Uruguay Round Mid-term Review. However, the linkages established by several contracting parties between the adoption of Panel reports and the outcome of the Uruguay Round were not desirable and should be reviewed by the parties concerned. A date for conclusion of the Round would have an important bearing on this and other issues, including the possible extension of the Multifibre Arrangement.

27. The fact that a number of countries had disinvoked the provisions of Article XVIII:B indicated, in his view, that the balance-of-payments provisions of the GATT were functioning satisfactorily. However, he called attention to a number of developments brought out in the report which were a matter of concern. These included the severe economic and social difficulties created by the Gulf crisis, not only from the loss of important export markets and the interruption of workers' remittances, but also from the balance-of-payments effects of oil price rises and the economic and social stresses resulting from the repatriation of workers.

28. The representative of India said that the credibility of the multilateral system was affected by the large number of discriminatory export restraint arrangements which applied mainly in areas of considerable export interest for developing countries, such as the agriculture, textiles, clothing and footwear sectors. In addition, provisions of the Anti-Dumping Agreement continued to be used for granting protection to
domestic industries. Although figures in the report showed some decline in the number of anti-dumping measures in force, the disruption created to trade even by investigations was considerable. There was need for further negotiations in this area.

29. India believed that the formation of regional trade blocs had an adverse impact on trade, through the contraction in the share of trade conducted under m.f.n terms. The ambiguities of relevant GATT provisions had prevented any discipline being exercised on countries participating in such agreements. The CONTRACTING PARTIES had never been able to affirm that all provisions of Article XXIV had been met. He stressed that strict observance of the standstill commitment was of critical importance in avoiding a protectionist trade war and containing unilateralism. In this context, he noted that India continued to be opposed to the provisions of the United States' Section 301.

30. A successful conclusion of the Uruguay Round should result in a balance of benefits, rights and obligations. This could only be achieved if the interests of developing countries were fully taken into account. His delegation would work tirelessly for an early, successful conclusion of the Round.

31. The representative of Korea found the overview of the developments in international trade objective and timely in the light of the resumption of the Uruguay Round negotiations. In his view, regional integration and co-operation arrangements would not necessarily lead to a weakening of the multilateral trading system, provided that an early and satisfactory conclusion could be reached in the Uruguay Round. This required a more constructive attitude from major trading nations. He noted that the major trading partners, the principal proponents of the free trade system, had not introduced sufficient trade liberalization measures, while many other countries, including Korea, had undertaken trade liberalization initiatives since the start of the Uruguay Round. Korea's trade liberalization measures included the autonomous elimination of import restrictions, tariff reductions, disinvocation of Article XVIII:B, and a subsequent three-year import liberalization programme. Partly as a result, Korea's imports had nearly doubled in value between 1987 and 1990.

32. The representative of Peru said that since the start of the Uruguay Round, her country had implemented successive trade liberalization measures. This process had accelerated in the last ten months. The measures included a considerable reduction in tariffs and the elimination of non-tariff barriers. Currently, two tariff levels applied in Peru, 15 per cent (covering approximately 80 per cent of tariffs) and 25 per cent. The liberalization undertaken by Peru was a sign of a continuing trend in its trade policy and indicated its willingness to assume commitments in the Uruguay Round. However, these should be accompanied by better market access for products of export interest to Peru. The structural adjustment policy undertaken by Peru implied great efforts for the country, its producers and its whole population. A strengthened trading environment was of importance in order for this policy
Peru therefore sought a successful conclusion of the Uruguay Round.

33. The representative of Switzerland said the report showed that after a number of years of rapid growth, the world trading system was in a process of adjustment itself. He referred to the reductions in the balance-of-payments disequilibria of major industrialized trading countries and the progressive transformation of the "dynamic Asian exporters" into "dynamic Asian importers". It was paradoxical and disquieting that a trend towards autonomous liberalization, particularly in some developing countries and in central and eastern European countries, was being accompanied by growth in protectionist measures taken outside the GATT multilateral system in the so-called "grey area". The liberalization efforts undertaken so far should be accompanied by a strengthening of the GATT system, notably through a rapid conclusion of the Uruguay Round.

34. Noting with satisfaction that a number of countries had ceased to invoke the balance-of-payments provisions and that unilateral instruments had been used with moderation, the representative of Switzerland said that the potential for action in both areas still remained. There was need for greater clarity and discipline under GATT rules. Finally, he noted that there was a clear view that the GATT must deal with the relationship between trade and environmental questions.

35. The representative of Sweden, speaking on behalf of the Nordic countries, noted that the report led to both positive and negative conclusions. On the positive side, world trade continued to propel economic growth and development; an increasing number of countries had acceded to the GATT or were in the process of negotiating their accession; many developing countries had given up their previously protectionist trade policies in favour of full integration into the multilateral trading system; and encouraging developments had occurred in central and eastern European countries. Some of the agreements already implemented as a result of the Uruguay Round, such as improvements in the dispute settlement system and the Trade Policy Review Mechanism, had strengthened the GATT. There was also a political will to do much more in other areas on the resumption of the Uruguay Round negotiations.

36. The report, however, also drew attention to negative developments which had occurred to a large extent as a consequence of inadequate trust in the GATT system. An increasing number of measures in the so-called "grey area" was recorded, a number of Panel reports had not been adopted or implemented, and anti-dumping measures had been increasingly used, including by several developing countries. The failure, so far, to negotiate stricter disciplines for anti-dumping procedures was not a hopeful sign.

37. He stressed that, within the multilateral trading system, regional and global objectives were not alternatives, but could be mutually reinforcing. The Nordic countries believed strongly in the positive effects of free trade areas and customs unions, provided the process of economic
integration adhered closely to the rules of the multilateral trading system.

38. Positive developments in the trading system would finally depend on a successful and rapid conclusion of the Uruguay Round. This would stop the trend towards bilateral, selective solutions which benefited larger trading nations at the expense of smaller ones. Noting that developing countries and many of the former centrally-planned economies were bent on full integration into the multilateral trading system, the representative of Sweden stressed the responsibility of the developed world to open their markets for trade with these countries.

39. The increasing share of trade in services in world trade, together with the evident benefits of the m.f.n. principle in the area of trade in goods, underlined the importance of obtaining similar multilateral rules in services. The Nordic countries would concentrate all their efforts on concluding the Uruguay Round as quickly as possible, thereby enabling world trade to grow at a steady pace and establishing a safe, predictable and healthy business climate.

40. The representative of Brazil first indicated the high degree of uncertainty surrounding the international trading system as a consequence of the failure of the Brussels meeting. Brazil's readiness to fulfil its commitments for a significant and balanced outcome of the Round remained unchanged. He hoped that the considerable effort made by his country in reducing protection would receive appropriate recognition in the GATT and the resumed Uruguay Round. Brazil's efforts to restructure its economy and redress major imbalances would also benefit its trade and investment partners. However, the persistent debt problem remained a serious limitation to Brazil's ability further to liberalize its trade régime.

41. In the light of the acknowledged linkages between monetary, financial and trade matters, he regretted that the report barely referred to the debt difficulties of less-developed contracting parties as a major source of instability in world markets. These difficulties inhibited the scope for developing countries to assume increased responsibilities and participate in an expanding trade system by extending market access opportunities. Another aspect missing from the report was any reference to export restrictions on trade in high technology goods. These affected the trading prospects of developing countries and cast doubt on the intentions of some contracting parties to promote a genuinely free international trading system. GATT should not accept an unjustified distinction between countries on the basis of access to high technology goods.

42. The report had noted a greater number of positive developments in the trade policies of developing countries than in those of industrialized countries since the beginning of the Uruguay Round. In contrast to less-developed and middle-sized economies, major trading partners featured in the report principally because of discriminatory export restraints, dubious anti-dumping practices and safeguard actions.
43. The representative of Brazil noted with satisfaction that the report singled out high foreign indebtedness as a relevant factor in the economic difficulties facing central and eastern European countries. The reference to political transformations undertaken by these countries was also welcomed. He hoped similar importance could in future be attached to questions of debt and high technology as they affected developing countries.

44. The representative of Chile agreed with the Director General that the Annual Report was aimed at giving positive signals mainly to investors and traders. He shared the view that certain risks existed for the multilateral system and that the dispute settlement system needed to be improved. Commenting on the report, he regretted that the list of unilateral liberalization measures implemented since the start of the Uruguay Round did not provide information on liberalization measures undertaken before 1986, such as those of Chile, which was the only contracting party to the GATT under whose legislation non-tariff measures were prohibited.

45. Commenting on the Trade Policy Review Mechanism, he said that the drafting stage of the reports was of great use to the country under review by facilitating the rationalization of domestic trade policies. However, the proceedings of the Council meetings seemed too formal and not very useful. The best conclusions from the exercise were to be found in the specialized newspapers and not in the Council discussions. He proposed that more dynamic elements should be introduced into the Council discussions of individual countries' trade policies: for example, by setting deadlines for questions and comments in writing, and by committing a special Council session to hearing the answers of the contracting party under review.

46. Expressing Chile's support for an early and successful conclusion of the Uruguay Round respecting the standstill commitments, he asked why no reference was made in the report to the rollback commitment. Finally, he noted that trade measures for environmental reasons were covered in GATT Article XX as an exception to the provisions of the General Agreement. Any working party to be set up should limit its work to a consideration of the GATT exception.

47. The representative of New Zealand said that the report constituted a useful catalogue of recent trade policy measures undertaken by contracting parties. New Zealand applauded the emphasis which a number of countries were giving to liberalizing their own trade regimes despite a slowdown in the world economy and at home. He highlighted the importance of concluding the Uruguay Round to reduce business uncertainty and to boost confidence in the world economy, and of continuing to observe the standstill commitment.

48. He expressed his disappointment that the report's analysis of world trade barely mentioned the agricultural sector. The impact of depressed world prices on competitive, non-subsidizing exporters should have been given more emphasis. The report did not mention the serious downturn affecting the international dairy trade in the period under review. He requested that future reports should examine in greater detail developments
in international trade in temperate and tropical agricultural products. Finally, he considered appropriate the remarks made by the Director General regarding the undesirable linkages being made between the implementation of Panel reports and the outcome of the Uruguay Round. It was particularly unfortunate and damaging to the system that countries refused to give clear commitments to respect existing legal obligations.

49. The representative of Poland confirmed that GATT missions to his country, especially the visit of the Director General, had a tangible impact on the search for appropriate trade policy options by his Government. He welcomed the positive comments made on the evolution of economic policies and trade régimes of central and eastern European countries. He appreciated the actions taken by Poland's trading partners to support the trade liberalization measures implemented in his country with a view to its full integration in world trade. He announced that Poland would now enter into procedures leading to accession to the GATT Subsidies Code.

50. Commending the report, the representative of Austria said that the trade liberalization measures undertaken by his country were correctly outlined. He supported the need for a rapid conclusion to the Uruguay Round. Since his delegation, on behalf of the EFTA countries, had re-introduced environmental issues into GATT, he welcomed references made to this issue in the report and looked forward to discussion in other GATT fora. Austria understood central and eastern European countries' difficulties and appreciated their efforts to move towards market-oriented economies. Finally, regional integration covered by GATT provisions had contributed to the expansion of world trade.

51. The representative of Canada welcomed the continuing trend in many economies towards greater reliance on market forces. He appreciated the fact that a growing number of countries had achieved or were in the process of seeking membership in the GATT. The linkage between trade and environmental policies was also an area where the GATT would have to come to terms with key problems facing all contracting parties. Referring to regional initiatives, he supported the view that the development of these initiatives promoted the emergence of wider global markets.

52. Improvements to the GATT system had shown benefits through the reduction in delays to the dispute settlement process. There was, however, the need further to improve the system in order to bring more automaticity, in particular, to the adoption and implementation of Panel findings. He supported the development within the Uruguay Round of a unified dispute settlement system to deal with the fragmentation of the system and prevent "forum shopping". Finally, the representative of Canada said that progress made over recent years in the Uruguay Round must be consolidated and negotiations concluded as a highest priority.

53. The representative of Sri Lanka recalled that his country had undertaken liberalization measures since 1977. These measures had continued since the commencement of the Uruguay Round. In 1988, Sri Lanka had reduced all its tariffs, excluding those on automobiles, liquors and
tobacco, to a 60 per cent level. Before the Brussels meeting, Sri Lanka had already implemented, on 16 November 1990, its tariff offer submitted in August 1990. All tariffs on the 2,128 lines included in the offer were now set at 50 per cent.

54. Replying to comments made, the Director General thanked all participants for their remarks and his colleagues in the Secretariat for having prepared the Annual Report. He said that the next report would be improved according to suggestions made during the meeting. The aim of the report was to stimulate discussion in the Council. He hoped that future debates would be more general, with more direct contributions by the contracting parties.

55. It was very important to make a distinction between "normal" GATT activities and the Uruguay Round; problems of GATT implementation should not be moved into the Uruguay Round framework. In this respect, he emphasized that the dispute settlement procedures functioned on the basis of existing rules and regulations. He was very encouraged by the firm statements made on the need for concluding the Uruguay Round. To give the necessary security to the system, however, it was essential that these declarations be translated into real action.

56. Summing up, the Chairman said that there was a strong wish among members of the Council for an early successful conclusion of the Uruguay Round. The long list of measures by some fifty countries found in Appendix Table 2 and others referred to during the discussions showed a strong current of liberalization. It thus appeared paradoxical that, during four and a half years, it had not been possible to conclude the Uruguay Round and to do multilaterally what a number of countries had done unilaterally. There was a need to find a way to transform the general will into concrete action. The Chairman was also concerned by the fact that only the first half of the dispute settlement system worked well. He agreed with the need to seek ways of conducting more dynamic trade policy reviews of individual countries and would discuss with participants ways of achieving this.

57. The Council took note of the statements and agreed that the overview of developments in international trade and the trading system had been conducted.