Countdown begins for WTO launch

As the countdown begins for the launching of the World Trade Organization (WTO) on 1 January 1995, preparatory work has progressed to the point where the chairmen of the various sub-committees concerned are now confident of wrapping up the outstanding issues under their responsibility before the 8 December Implementation Conference. This was the gist of reports presented to the Preparatory Committee on 23 November.

The Chairman, Mr. Peter Sutherland, reminded participants that the central task of the Conference, as set out in the provisional agenda, is to confirm 1 January 1995 as the date of entry into force of the WTO. He noted that participants are "making every effort to conclude their ratification processes to this end".

Mr. Sutherland recalled that the PrepCom’s mandate requires it to submit a report on its activities to the WTO. He said that the chairmen of the four Sub-Committees under the PrepCom, under the coordination of Ambassador K. Kesavapany (the Chairman of the Sub-Committee on Institutional, Procedural and Legal Matters), have produced a first draft of this report, a further version of which will be considered at the Conference. He expressed confidence that this draft would be fleshed out in the coming weeks.

The PrepCom heard the following reports from its Sub-Committees:

INSTITUTIONAL, PROCEDURAL AND LEGAL MATTERS: Ambassador Kesavapany reported that the Sub-Committee had completed work on establishing the terms of reference for the WTO Committees on Budget, Finance and Administration, on Balance-of-Payments Restrictions, on Trade and Development, and on Market Access. It had also agreed on rules of procedures for the biennial WTO Ministerial Conference, the

Continued on page 8
The Uruguay Round

A $510-billion boost to world income

Moreover, this figure substantially underestimates the impact of the entire Uruguay Round package

The reduction of international trade barriers as one of the results of the Uruguay Round agreements will produce an estimated increase in world income of US$510 billion per year by the time the market access commitments are fully implemented in 2005, according to the new analysis - The Results of the Uruguay Round - released on 10 November by the GATT Secretariat.

The report emphasizes, however, that this figure substantially underestimates the impact of the entire Uruguay Round package of results because the estimate is based on only one result of the Round, namely liberalization of trade in goods, without taking into account the beneficial impact of other results concerning, for example, strengthened trade rules, procedures and institutions, nor the market access commitments and rules for trade in services.

Based on a new world economic model developed by the GATT Secretariat, the report provides a more realistic and "dynamic" representation of the effects of the Uruguay Round results. Its highlights include:

**INCREASE IN INCOMES:** Tariff reductions and other liberalizing actions, together with the security provided by the binding of those actions, will stimulate world trade, investment and production. Resources will be used more efficiently world-wide. As a result, by 2005, when all the results of the Uruguay Round will be in place, not only world trade but also world income will be larger than they would have been had the liberalization not taken place. The estimated annual income gains are $122 billion for the United States, $164 billion for the European Communities, $27 billion for Japan and $116 billion for developing and transition economies as a group.

There are a number of factors behind the differences in income gains between the different countries and country groups. Obviously, one is that some are much larger traders than others. Other factors have to do with the details of the liberalization of trade in goods and services in the Uruguay Round, and how that liberalization interacted with the domestic economy in each participating country. Here is helpful to recall that for each participant in the Uruguay Round, the initial increase in national income resulting from the liberalization of trade in goods (that is, before any allowance for increased savings and investment) will come from two sources: first, from a more efficient use of domestic resources when domestic distortions, such as trade barriers, are reduced or removed; and second, from increased access to the markets of trading partners.

**TARIFF REDUCTIONS:** Developed countries have agreed to reduce their tariffs on industrial goods by 40 per cent, with the proportion of industrial products entering developed country markets under MFN zero duties more than doubling from 20 to 44 per cent. Developed countries will cut tariffs by 60 per cent or more in three product categories: wood, pulp, paper and furniture; metals; and non-electric machinery.

Among the developed countries, the largest percentage reductions in tariffs on industrial products are those by Japan and New Zealand, at 56 and 53 per cent respectively. In the four largest developed country markets in terms of imports from MFN sources - the European Union, the United States, Japan and Canada - the average post-Uruguay Round tariff on industrial products will range from 1.7 per cent (Japan) to 4.8 per cent (Canada).

Among the developing countries, India, Korea and Singapore will reduce their average tariffs on industrial products by more than half, from 71.4 to 32.4 per cent in case of India, from 18 to 8.3 in Korea's case, and from 12.4 to 5.1 per cent in the case of Singapore.

Of the four economies in transition, Poland will have both the largest tariff reduction on industrial products (38 per cent) and the highest post-Uruguay Round tariff (9.9 per cent). The post-Uruguay Round average industrial tariffs in each of the four transition economies are quite similar to those of the developed countries.

**INCOME GAINS WILL COME FROM TWO SOURCES:** a more efficient use of domestic resources and increased access to foreign markets...

**REMOVAL OF QUANTITATIVE RESTRICTIONS:** For industrial products, the most important quantitative measures scheduled for elimination are the restraints on textiles and clothing applied in the context of the Multifibre Arrangement (MFA), in place since early 1974, but with roots going back to the beginning of the 1960s. The Uruguay Round Agreement on Textiles and Clothing provides for the phase-out of the MFA restraints in four steps, starting 1 January 1995 and ending 1 January 2005. All studies of the costs of protecting textiles and clothing report substantial gains to consumers in the importing countries from the lifting of restraints. The available research also supports the view that the revenues of developing economies as a group from exports of textiles and clothing are likely to rise when the MFA is phased out.

The Uruguay Round Agreement on Safeguards provides for the termination of measures taken pursuant to Article XIX of the General Agreement not later than eight years after the date on which they were first applied or five years after the date of entry into force of the Agreement establishing the WTO, whichever comes later. The Agreement covers voluntary export restraints, orderly marketing arrangements or any other similar measures on the export or import side.

**REDUCTIONS IN IMPORT BARRIERS ON AGRICULTURAL PRODUCTS:** Reforms in agriculture include a 36 per cent reduction in export subsidies, from $22.5 billion to $14.5 billion, of which one-half is accounted for by the EC, and a decline of 18 per cent, from $197 billion to $162 billion, in domestic support to agricultural producers. Minimum market access commitments on agricultural products subject to tariffication will create market opportunities for, among other products, 1.8 million tons of coarse grains, 1.1 million tons of rice, 807,000 tons of wheat and 729,000 tons of dairy products.

For the first time in GATT's history, the level of security for trade in agricultural products will be greater than for trade in industrial products because virtually 100 per cent of agricultural product tariff lines will be bound, compared to 83 per cent of industrial product tariff lines.

**SECURING MARKET ACCESS THROUGH BINDINGS:** If a tariff lowered during a GATT round could be unilaterally raised again a few months later, the tariff concession would have little or no value to foreign and domestic
Impact of the Uruguay Round

Rise in merchandise export vol. (%) in 2005

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-UR</th>
<th>Post-UR</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>23.5</td>
<td>3.4</td>
</tr>
<tr>
<td>Canada</td>
<td>24.7</td>
<td>17.7</td>
</tr>
<tr>
<td>USA</td>
<td>21.6</td>
<td>19.4</td>
</tr>
<tr>
<td>EU</td>
<td>1.7</td>
<td>19.9</td>
</tr>
<tr>
<td>Australie &amp; NZ</td>
<td>19.8</td>
<td>24.8</td>
</tr>
<tr>
<td>Japan</td>
<td>19.3</td>
<td>24.5</td>
</tr>
<tr>
<td>Developing &amp; transition</td>
<td>19.3</td>
<td>24.5</td>
</tr>
</tbody>
</table>

Rise in annual income (1990 US$ billion), 2005

<table>
<thead>
<tr>
<th>Country</th>
<th>Pre-UR</th>
<th>Post-UR</th>
</tr>
</thead>
<tbody>
<tr>
<td>World</td>
<td>71.4</td>
<td>122.4</td>
</tr>
<tr>
<td>Canada</td>
<td>163.4</td>
<td>163.5</td>
</tr>
<tr>
<td>USA</td>
<td>99.5</td>
<td>100.5</td>
</tr>
<tr>
<td>EU</td>
<td>19.8</td>
<td>19.7</td>
</tr>
<tr>
<td>Australie &amp; NZ</td>
<td>18.4</td>
<td>18.1</td>
</tr>
<tr>
<td>Japan</td>
<td>29.7</td>
<td>29.0</td>
</tr>
<tr>
<td>Developing &amp; transition</td>
<td>18.4</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Industrial tariffs bound (% of imports)

<table>
<thead>
<tr>
<th></th>
<th>Pre-UR</th>
<th>Post-UR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>61.6</td>
<td>39.5</td>
</tr>
<tr>
<td>Developed</td>
<td>60.1</td>
<td>38.9</td>
</tr>
<tr>
<td>Developing</td>
<td>60.2</td>
<td>38.8</td>
</tr>
<tr>
<td>Transition</td>
<td>60.2</td>
<td>38.8</td>
</tr>
</tbody>
</table>

Agricultural tariffs bound (% of imports)

<table>
<thead>
<tr>
<th></th>
<th>Pre-UR</th>
<th>Post-UR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>61.6</td>
<td>39.5</td>
</tr>
<tr>
<td>Developed</td>
<td>60.1</td>
<td>38.9</td>
</tr>
<tr>
<td>Developing</td>
<td>60.2</td>
<td>38.8</td>
</tr>
<tr>
<td>Transition</td>
<td>60.2</td>
<td>38.8</td>
</tr>
</tbody>
</table>

CEDURES AND INSTITUTIONS:

The commitments contained in the schedules for goods and services are just one part of a much larger single undertaking - the Final Act of the Uruguay Round - which WTO members pledge to adopt for the conduct of their trade relations. This framework comprises commitments on a wide array of policy instruments affecting trade in goods and services, the protection of intellectual property rights, the monitoring of trade polices to provide for transparency and improved adherence to obligations, dispute settlement procedures to interpret and enforce those obligations, and an institutional setting for WTO Members to oversee the functioning of the multilateral trading system, including as a forum for negotiations to improve and extend the rules-based framework for the conduct of trade relations. By providing a framework for the monitoring of trade policies, for regularly scheduled ministerial-level meetings and for future negotiations, the strengthened institutional arrangements also help countries anticipate and defuse trade conflicts that might otherwise lead to violations of WTO obligations - that is, to illegal reductions in market access.

The Results of the Uruguay Round - Market Access for Goods and Services: Overview of the Results is available on request from the GATT Secretariat.
Dispute settlement activity declines as members await WTO

Dispute settlement activity in GATT has declined substantially in the past 12 months compared with the previous 12-month period as members begin to look forward to the entry into force of the World Trade Organization (WTO) and its improved dispute settlement procedures.

This trend was noted by the GATT Director-General, Mr. Peter Sutherland, in his twice-yearly report to the Council on 10 November on the current status of dispute settlement in GATT, including the Tokyo Round Agreements (see box). He expressed confidence that the expanded coverage and greater automat­ icity of the WTO procedures would lead to "a fairer and more efficient settlement of trade disputes between WTO Mem­ bers".

Mr. Sutherland reported that during the past 12 months:

- The number of consultations (pre­panel stage) was halved from 31 to 15;
- The number of panels established fell from 7 to 4;
- The number of panel reports adopted declined from 4 to 3; and
- The number of disputes in which im­plementation issues were raised fell from 10 to only 2.

Sweden underlined the importance of adopting and implementing panel deci­ sions to ensure the credibility of the multilateral trading system. Pointing out that reports of two panels that had ruled in its favour had not yet been adopted, it urged that in the current transition to the WTO, GATT disputes involving unad­opted panel reports or accepted but un­implemented panel reports be treated in a satisfactory manner. Sweden said that work on unresolved GATT disputes should continue after the establishment of the WTO, as had been suggested by Ministers in Marrakesh.

PANEL RULES ON US CAR TAXES

The panel that had examined the EC complaint against US taxes on automobiles presented its report to the Council. The chairman, Mr. Thomas Cottier, said the panel had come to the following conclusions:

- the luxury tax (on cars above the cur­rent threshold of $32,000) is not in­consistent with Article III:2 (imports are not the subject of internal taxes higher than those applied to like do­mestic products);
- the gas guzzler tax (applying to cars with fuel economy below 22.5 miles per gallon) is not inconsistent with Article III:2;
- the CAFE regulation (corporate aver­age fuel economy below the level of 27.5 miles per gallon is subject to penalty) is inconsistent with Article
Disputes at the panel stage or before the Committee - Tokyo Round Agreements:

- Mexico/US: Anti-dumping duties in respect of all laws, regulations and requirements affecting their internal sale and, to the extent that it is based on separate foreign fleet accounting, cannot be justified under paragraph “g” (exception for measures relating to the conservation of exhaustible natural resources) or paragraph “d” (exception for measures necessary to secure compliance with laws or regulations which are not inconsistent with the GATT) of Article XX.

The panel recommended that the Contracting Parties request the United States to bring that part of the CAFE regulation found to be inconsistent with the General Agreement into conformity with its GATT obligations.

The European Community said it continued to believe that the US CAFE regulation distorted trade in focusing on manufacturers of large vehicles. It said further study of the report was required.

Swedish Industry said it welcomed actions to reduce gasoline consumption but considered that the US CAFE regulation discriminated against high-end EC automobiles. It said that the report, which it was still reviewing, raised problems of principles, including ensuring that the report did not fall below the standards of current GATT jurisprudence.

Sweden said it welcomed actions to reduce gasoline consumption but considered that the US CAFE regulation distorted trade in focusing on manufacturers of large vehicles. It said further study of the report was required.

Australia said the report was both timely and useful in correcting perceptions that GATT rules were adverse to countries’ interests. It supported the adoption of the panel report.

The United States reserved comments until the next meeting.

The Council established a panel to examine India’s complaint.

FRENCH LABELLING REGULATIONS ON SCALLOPS Chile complained that in October, France announced discriminatory labelling requirements that would harm Chilean fishermen who ship one third of their scallop exports to that country. It said under the new French regulation, Chilean scallops would no longer be able to use the label “coquilles St. Jacques”, but instead would have to bear the new label “Petonclé”. Chile maintained that French and Chilean scallops were similar in size, appearance and taste, and therefore should have the same label. It said that new regulation would lead to lower prices for Chilean scallops as “Petonclé” had a connotation of lower quality among French consumers. Chile charged that the French regulation violated the GATT and called on the EC to move for the reconsideration of the measure.

In defending the French measure, the EC maintained that even to the untrained eye, it would be easy to tell the difference between “St. Jacques” and “Pe-
Georgia, Sudan granted observer status

With the granting of observer status to Georgia by the Council on 10 November, all independent states of the former Soviet Union now enjoy that status with the sole exception of Tajikistan. Eight of these states have also submitted requests for accession which are now being examined by working parties (Armenia, Belarus, Estonia, Latvia, Lithuania, Moldova, Russian Federation and Ukraine).

In its request for observership, Georgia reported on recent measures it had taken towards establishing a market economy, including deregulation of prices on most commodities and the launching of various privatization programmes. It stressed that it was following an economic policy favouring establishing a liberal regime for external economic relations.

The Council also granted a request by Sudan for observer status, noting that the Preparatory Committee for the WTO, on 25 October, had established a working party to examine the country’s application to join the WTO.

Sudan said that observership in the GATT would give it the opportunity to acquaint itself with the work and procedures of the Council and other GATT organs as a step in efforts to participate fully in the work of the WTO.

OTHER DISPUTES The other trade disputes raised in the Council were:

• The EC again called for the adoption of a panel report on US restrictions on imports of tuna. The United States said that it had not completed its review of the report. The Council agreed to forward the matter to the 50th Session of the Contracting Parties.

• Guatemala, speaking also on behalf of Ecuador, Honduras, Mexico and Panama, again urged the adoption of the two panel reports concerning the EC import regime on bananas. It expressed regret that its proposal at the previous meeting for a dialogue on this matter with the EC - under GATT auspices and without preconditions - had not been heeded by the Community. Guatemala called on the EC to fulfil its GATT obligations without delay. The Council Chairman noted that the positions of members on this matter had not changed, and proposed that the two reports be forwarded to the 50th Session of the Contracting Parties.

• Australia again urged Canada to rescind its safeguard action on imports of beef. It said that recent easing of this measure was proof that local market conditions did not justify the measure, and emphasized that it had not accepted Canada’s Uruguay Round offer of a tariff quota on beef. Canada said there was no basis for the continuing complaint by Australia on this matter as the safeguard action ensued from an investigation by a quasi-judicial body. It would continue bilateral consultations on this matter but maintained that its 1995 import regime for beef respected commitments it had made in the Uruguay Round.

• Under “Other Business,” Canada protested to the EC against measures affecting its export of bovine semen to Italy. The Community promised to consult with Italian authorities to find solution to the matter. On another issue, the EC called on Japan to implement fully the recommendations of a panel that had ruled against Japanese liquor taxes seven years ago. Japan replied that it considered the panel’s recommendation to have been effectively implemented.

WIDE SUPPORT FOR GATT WAIVER ON LOMÉ IV The European Community and the ACP (Africa, Caribbean and Pacific) contracting parties requested the granting of a waiver, under GATT Article XXV:5, on the trade provisions of the Fourth Lomé Convention. They said that while they remained convinced that the arrangement was compatible with the GATT, they wanted to improve the “legal certainty” for the trade of ACP countries. (Note: Under Article XXV:5, the Contracting Parties may, in “exceptional circumstances”, waive GATT obligations of a member provided that such a decision is approved by a two-thirds majority.)

In their communication, the EC and ACP countries stressed that the Lomé Convention “has been the most extensive cooperation instrument between regional groups of industrialized and developing countries established until now”. On trade, the Convention provided for non-reciprocal preferential treatment of ACP products in the EC market. The communication noted that the ACP countries exported some US$21.6 billion to the EC in 1992, and stressed that while this figure represented a modest share of about 3.5% of EC’s total imports, for the ACP countries it accounted for more than 41% of their total export earnings. The EC and ACP maintained that Lomé IV was designed to promote ACP trade, and was not intended to raise barriers or create difficulties for other contracting parties.

The EC underlined to the Council the political importance of Lomé IV, which it said was a cornerstone of the Community’s development policy. Jamaica, an ACP member, emphasized that the waiver request was in response to the recommendations contained in the two panel reports on the EC import regime on bananas, and to suggestions by two contracting parties at the previous Council meeting (see Focus No. 111).

The United States said that while it was having urged the EC to seek a GATT waiver for trade preferences granted under the Lomé Convention, it was not yet ready to support the adoption of the waiver decision from a technical standpoint. It explained that great care was needed in drafting the waiver decision because of the substantial amount of trade involved and the direct impact of the waiver on many GATT members.

After many members had spoken in support of the waiver, the EC said it was ready to consult with other contracting parties on changes to the draft decision. It stressed, however, that these consultations should be completed in time for a decision in December.

The Council agreed to refer the matter to the 50th Session of the Contracting Parties.

GATT TRAINING ACTIVITIES

Nearly a hundred officials from developing countries and economies in transition have participated in GATT trade policy courses in 1994. Mr. Sutherland noted in his annual report to the Council on GATT training activities. In addition to the regular courses, conducted in English and Spanish, respectively, the Secretariat during the year conducted the Fourth Special Trade Policy Course for Eastern and Central European and Central Asian countries, financed by the Switzerland, and a Special Course for officials from the Russian Federation and Ukraine, organized at the initiative and with the financial support of the United States.
Trade Policy Review: Canada

Dynamic trade policy-making

NAFTA, the Uruguay Round and now... APEC

The following are excerpts from the concluding remarks of the Chairman after the Council’s third review of Canada’s trade regime, held on 21-22 November:

Canada’s role in achieving, and commitment to, the Uruguay Round results was praised by all. Participants noted the commitment to eliminate tariffs in a number of key sectors, and to reduce remaining industrial tariffs by an average of 40 per cent over the next five to ten years. The liberalization of certain services sectors, procurement markets and new intellectual property protection legislation were all welcome. Concern was expressed, however, about the level and administration of the above-quota tariff rates to be introduced in agriculture as a result of the Uruguay Round.

Several participants raised questions about the implementation of NAFTA and, in particular, its relation with the GATT in a number of areas, including dispute settlement. The potentially trade-diverting nature of NAFTA rules of origin was another source of concern.

The representative of Canada noted that multilateralism and regionalism were two sides of the same coin, whereby Canada sought to advance its objectives of trade liberalization within rule-based frameworks. Canadian estimates of Can$3 billion in gains from the Uruguay Round were probably underestimates; they did not capture the dynamic effects, nor did they cover services. NAFTA was believed to be trade-creating and was open to others; it would be discussed in a Working Party in 1995.

General trade policies and practices: Some participants criticized the complexity of the Canadian tariff. At the same time, they welcomed the reduction in tariff levels carried out autonomously, regionally and multilaterally over the two years since the previous review. Tarification in agriculture revealed extremely high above-quota rates averaging 173 per cent.

Several participants expressed concern on the level of recourse to antidumping procedures; the duration of orders even when exports had ceased; new cases of self-initiation; and high dumping margins in recent cases.

In response, the representative of Canada noted that the tariff review would take place over three years; it was, therefore, too early to speculate on the outcome. He noted that the existing complexity was the result of preferences which had benefited many countries, including developing countries. The review would not cover non-tariff measures.

Within the NAFTA framework, trilateral groups were to complete, by the end of 1995, work on subsidies and antidumping with a view to reducing trade disputes on such practices. An explanation was given of Canada’s procedures for determining “normal values”, which were said to help importers avoid the imposition of anti-dumping duties. Canada would remain in the Tokyo Round Anti-Dumping and Subsidies Codes for the acceptance period of the WTO.

Sectoral issues:

Some participants observed that Canadian agriculture was still heavily protected and benefitting from substantial government assistance. Participants noted the very high above-quota tariff rates resulting from the Uruguay Round Agreement on agriculture. Clarification was sought regarding the rates to be applied in the first year of implementation. Points were made concerning the safeguard action on boneless beef, which had been taken in a context of growth in the industry, and did not apply to NAFTA partners. Some participants asked for clarifications regarding export pricing of grains.

Export restrictions on logs were perceived by some as potential subsidies to the domestic processing industry. Continued protection of the “cultural” industries was noted. At the same time, Canada was commended for its recent steps to liberalize trade in telecommunications services and improve patent protection.

Some participants voiced concern about recent developments in trade policy regarding textiles and clothing. Both the geographical scope and frequency of import restricting measures had increased, with developing countries bearing the brunt.

The representative of Canada provided information on the size and administration of the various tariff rate quotas to replace the existing system of agricultural import controls. The TRQs, to be introduced on 1 January 1995, were consistent with Canada’s obligations under the Uruguay Round. The US would, like other members, be subject to the Uruguay Round TRQs. The level of the beef and veal quota was based on negotiation, while the adjustment of the boneless beef action under Article XIX was made in response to changing market conditions.

Support for grains had been declining since 1991. The level of Canada’s total “non-green” domestic support in coming years would be even lower than its commitment over the transition period.

Trade-weighted average tariffs on textiles and clothing would fall from 21.3 per cent at present to 14.5 per cent under Canada’s Uruguay Round commitment and all lines were currently bound. Because of high levels of unemployment in the sector and market disruption from increases in low-cost imports, some new bilateral restraint agreements had been reached with exporters. Canada was committed to the re-integration of the sector into the GATT.

Conclusion: Canada’s trade policy is dynamic. NAFTA and the Uruguay Round have led to new or imminent obligations and to trade liberalization in traditional and new areas; participation in APEC expands horizons to fresh geographical links. The coming years will see further growth and change in Canada’s trade policies. I am confident that the WTO framework will provide the firm foundation for the coherent and consistent application of all the trade policy measures to be taken by Canada in these different contexts.
**PrepCom (Continued from p. 1)**

General Council, the Trade Policy Review Body and the Dispute Settlement Body. It has also been decided that the observer status of signatories to the Final Act of the Uruguay Round which have not yet become WTO members at the time of WTO’s entry into force would be dealt with through specific transitional arrangements.

Ambassador Kesavapany reported that work was well advanced in the three Contact Groups (on Agriculture, on Anti-Dumping, Subsidies and Safeguards and on Trade-Related Aspects of Intellectual Property Rights). Notification requirements had been agreed on sanitary and phytosanitary measures as well as on intellectual property.

While proceeding with respect to defining WTO’s relations with other intergovernmental organizations, while agreeing on the need for effective cooperation between the WTO and the United Nations, the Sub-Committee had found no grounds for establishing institutional links between the two organizations.

**BUDGET, FINANCE AND ADMINISTRATION**

The Chairman, Ambassador András Szepesi, reported that the consultants engaged to conduct an external management review of GATT/WTO have presented their draft conclusions to the Sub-Committee.

Regarding the negotiations on the WTO headquarters agreement with the Swiss authorities, Ambassador Szepesi said that they were progressing quite well on the subject of building and facilities, but very slowly on immunities and privileges. He said that the possibility of continuing negotiations into early 1995 should not be excluded.

**TRADE AND ENVIRONMENT:**

The Chairman, Ambassador Luiz Felipe Lampreia, reported that the Sub-Committee would soon be tackling the third item in its work programme: the effect of environmental measures on market access, especially in relation to developing countries, in particular to the least developed among them, and environmental benefits of removing trade restrictions and distortions.

**TRADE IN SERVICES**

The Chairman, Ambassador Christer Manhusen, said that the draft guidelines for notifications are expected to be finalized at the Sub-Committee’s next meeting on 29 November. Work was proceeding on the verification of national schedules on services. Divergences still exist on certain issues related to the scope of the GATS, and thus the Sub-Committee might need to hold another meeting before 15 December - the deadline set at the conclusion of the Uruguay Round for completing consultations on this subject.

---

**Committee on Trade and Development**

**Tighter GATT focus on needs of developing countries**

Director-General Peter Sutherland has re-established the GATT Secretariat’s Development Division and has created under it a Special Unit for Least-Developed Countries. On the eve of WTO’s establishment, these changes, together with a strengthened Technical Cooperation and Training Division, are expected to raise substantially the ability of GATT to respond to the needs of developing members.

These developments were announced by GATT Deputy Director-General Jesús Seade at the meeting of the Committee on Trade and Development - one of GATT’s major standing bodies - on 21 and 25 November. He also presented reports by the Secretariat on the participation of developing countries in world trade.

**TRADE SHARE GROWS:** The CTD Chairman, Ambassador Ernesto Tironi (Chile), in summarizing points raised by delegations, noted that the share of developing countries in world trade has been growing - from 19% to 25% in the last two decades - and the Uruguay Round represented a significant opportunity to further increase this share. However, the shares of regions in this growth of trade were unequal: while the share of Southeast Asia has been rising significantly, those of the least-developed countries and economies in transition might have declined.

Ambassador Tironi said that delegations have underlined that a crucial element for the interests of developing economies was the way in which the Uruguay Round results would be implemented. He said that the discussions have also brought out the point that the time had come to explore ways in which autonomous liberalization measures adopted by developing countries, could be integrated into the multilateral set of measures aimed at facilitating and promoting trade.

**TECHNICAL COOPERATION:** The GATT Secretariat reported that it had organized some sixty seminars and technical missions on the GATT and the Uruguay Round in different countries of Africa, Asia and Latin America. The programme had also focused on assisting developing countries in the preparation of their schedules of concessions on goods and commitments in services, as well as in the work relating to the ratification and implementation of the Uruguay Round results. Particular attention had been paid to least-developed countries and smaller developing countries in Africa.

Technical assistance had also involved the provision of data, information and background notes, workshops, briefing sessions for delegations as well as a dispute settlement course. Least-developed countries had received documentation on the benefits of the Round for use in their internal ratification processes.