LAUNCHING OF URUGUAY ROUND

The most complex and ambitious programme of negotiations ever undertaken by GATT

Meeting in Punta del Este (Uruguay) from 15–20 September on the occasion of the Special Session of the GATT Contracting Parties, ministers of GATT member counties adopted a Declaration launching a new round of multilateral trade negotiations – the Uruguay Round. The Declaration falls into two parts.

As contracting parties, the ministers adopted Part I of the Declaration regarding trade in goods. It establishes the objectives and principles of the negotiations, and the launch of issues on which negotiations will take place. The Declaration provides for a standstill and rollback on trade restrictive or trade distorting measures under which governments undertake not to increase existing levels of protection and to phase out their existing breaches of GATT disciplines.

As representatives of governments meeting on the occasion of the Session, the ministers further decided to launch a negotiation on trade in services, and adopted Part II of the Declaration in that regard. It has been agreed that these negotiations will not be placed within the legal framework of GATT, but that GATT practices and procedures will nevertheless apply to them.

Ministers then adopted the Ministerial Declaration as a whole as a single policy commitment launching the Uruguay Round. The negotiations are to extend over four years.
Ministerial Declaration on the Uruguay Round

Ministers, meeting on the occasion of the Special Session of Contracting Parties at Punta del Este, have decided to launch Multilateral Trade Negotiations (The Uruguay Round). To this end, they have adopted the following Declaration. The Multilateral Trade Negotiations (MTN) will be open to the participation of countries as indicated in Parts I and II of this Declaration. A Trade Negotiations Committee (TNC) is established to carry out the Negotiations. The Trade Negotiations Committee shall hold its first meeting not later than 31 October 1986. It shall meet as appropriate at Ministerial level. The Multilateral Trade Negotiations will be concluded within four years.

PART I – NEGOTIATIONS ON TRADE IN GOODS

The Contracting Parties meeting at Ministerial level

Determined to halt and reverse protectionism and to remove distortions to trade

Determined also to preserve the basic principles and to further the objectives of the GATT

Determined also to develop a more open, viable and durable multilateral trading system

Convinced that such action would promote growth and development

Mindful of the negative effects of prolonged financial and monetary instability in the world economy, the indebtedness of a large number of less-developed contracting parties, and considering the linkage between trade, money, finance and development

Decide to enter into Multilateral Trade Negotiations on trade in goods within the framework and under the aegis of the General Agreement on Tariffs and Trade.

A. Objectives

Negotiations shall aim to

(i) bring about further liberalization and expansion of world trade to the benefit of all countries, especially less-developed contracting parties, including the improvement of access to markets by the reduction and elimination of tariffs, quantitative restrictions and other non-tariff measures and obstacles;

(ii) strengthen the role of GATT, improve the multilateral trading system based on the principles and rules of the GATT and bring about a wider coverage of world trade under agreed, effective and enforceable multilateral disciplines;

(iii) increase the responsiveness of the GATT system to the evolving international economic environment, through facilitating necessary structural adjustment, enhancing the relationship of the GATT with the relevant international organizations and taking account of changes in trade patterns and prospects, including the growing importance of trade in high technology products, serious difficulties in commodity markets and the importance of an improved trading environment providing, inter alia, for the ability of indebted countries to meet their financial obligations;

(iv) foster concurrent co-operative action at the national and international levels to strengthen the inter-relationship between trade policies and other economic policies affecting growth and development, and to contribute towards continued, effective and determined efforts to improve the functioning of the international monetary system and the flow of financial and real investment resources to developing countries.

B. General principles governing negotiations

(i) Negotiations shall be conducted in a transparent manner, and consistent with the objectives and commitments agreed in this Declaration and with the principles of the General Agreement in order to ensure mutual advantage and increased benefits to all participants.

(ii) The launching, the conduct and the implementation of the outcome of the negotiations shall be treated as parts of a single undertaking. However, agreements reached at an early stage may be implemented on a provisional or a definitive basis by agreement prior to the formal conclusion of the negotiations. Early agreements shall be taken into account in assessing the overall balance of the negotiations.

(iii) Balanced concessions should be sought within broad trading areas and subjects to be negotiated in order to avoid unwarranted cross-sectoral demands.

(iv) Contracting Parties agree that the principle of differential and more favourable treatment embodied in Part IV and other relevant provisions of the General Agreement and in the Decision of the Contracting Parties of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries applies to the negotiations. In the implementation of (continued on p. 3)
standstill and rollback, particular care should be given to avoiding disruptive effects on the trade of less-developed contracting parties.

(v) The developed countries do not expect reciprocity for commitments made by them in trade negotiations to reduce or remove tariffs and other barriers to the trade of developing countries, i.e. the developed countries do not expect the developing countries, in the course of trade negotiations, to make contributions which are inconsistent with their individual development, financial and trade needs. Developed contracting parties shall therefore not seek, neither shall less-developed contracting parties be required to make, concessions that are inconsistent with the latter’s development, financial and trade needs.

(vi) Less-developed contracting parties expect that their capacity to make contributions or negotiated concessions or take other mutually agreed action under the provisions and procedures of the General Agreement would improve with the progressive development of their economies and improvement in their trade situation and they would accordingly expect to participate more fully in the framework of rights and obligations under the General Agreement.

(vii) Special attention shall be given to the particular situation and problems of the least-developed countries and to the need to encourage positive measures to facilitate expansion of their trading opportunities. Expeditious implementation of the relevant provisions of the 1982 Ministerial Declaration concerning the least-developed countries shall also be given appropriate attention.

C. Standstill and Rollback

Commencing immediately and continuing until the formal completion of the Negotiations, each participant agrees to apply the following commitments:

Standstill
(i) not to take any trade restrictive or distorting measure inconsistent with the provisions of the General Agreement or the Instruments negotiated within the framework of GATT or under its auspices;
(ii) not to take any trade restrictive or distorting measure in the legitimate exercise of its GATT rights, that would go beyond that which is necessary to remedy specific situations, as provided for in the General Agreement and the Instruments referred to in (i) above;
(iii) not to take any trade measures in such a manner as to improve its negotiating positions.

Rollback
(i) that all trade restrictive or distorting measures inconsistent with the provisions of the General Agreement or Instruments negotiated within the framework of GATT or under its auspices, shall be phased out or brought into conformity within an agreed timeframe not later than by the date of the formal completion of the negotiations, taking into account multilateral agreements, undertakings and understandings, including strengthened rules and disciplines, reached in pursuance of the Objectives of the Negotiations;
(ii) there shall be progressive implementation of this commitment on an equitable basis in consultations among participants concerned, including all affected participants. This commitment shall take account of the concerns expressed by any participant about measures directly affecting its trade interests;
(iii) there shall be no GATT concessions requested for the elimination of these measures.

Surveillance of standstill and rollback
Each participant agrees that the implementation of these commitments on standstill and rollback shall be subject to multilateral surveillance so as to ensure that these commitments are being met. The Trade Negotiations Committee will decide on the appropriate mechanisms to carry out the surveillance, including periodic reviews and evaluations. Any participant may bring to the attention of the appropriate surveillance mechanism any actions or omissions it believes to be relevant to the fulfilment of these commitments. These notifications should be addressed to the GATT secretariat which may also provide further relevant information.

D. Subjects for negotiations

Tariffs
Negotiations shall aim, by appropriate methods, to reduce or, as appropriate, eliminate tariffs including the reduction or elimination of high tariffs and tariff escalation. Emphasis shall be given to the expansion of the scope of tariff concessions among all participants.

Non-tariff measures
Negotiations shall aim to reduce or eliminate non-tariff measures, including quantitative restrictions, without prejudice to any action to be taken in fulfilment of the rollback commitments.

Tropical products
Negotiations shall aim at the fullest liberalization of trade in tropical products, including in their processed and semi-processed forms and shall cover both tariff and all non-tariff measures affecting trade in these products.

Contracting Parties recognize the importance of trade in tropical products to a large number of less-developed contracting parties and agree that negotiations in this area shall receive special attention, including the timing of the negotiations and the implementation of the results as provided for in B(ii).

Natural resource-based products
Negotiations shall aim to achieve the fullest liberalization of trade in natural resource-based products, including in their processed and semi-processed forms. The negotiations shall aim to reduce or eliminate tariff and non-tariff measures, including tariff escalation.

(continued on p. 4)
Textiles and clothing
Negotiations in the area of textiles and clothing shall aim to formulate modalities that would permit the eventual integration of this sector into GATT on the basis of strengthened GATT rules and disciplines, thereby also contributing to the objective of further liberalization of trade.

Agriculture
Contracting Parties agree that there is an urgent need to bring more discipline and predictability to world agricultural trade by correcting and preventing restrictions and distortions including those related to structural surpluses so as to reduce the uncertainty, imbalances and instability in world agricultural markets. Negotiations shall aim to achieve greater liberalization of trade in agriculture and bring all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines, taking into account the general principles governing the negotiations, by:

(i) improving market access through, *inter alia*, the reduction of import barriers;

(ii) improving the competitive environment by increasing discipline on the use of all direct and indirect subsidies and other measures affecting directly or indirectly agricultural trade, including the phased reduction of their negative effects and dealing with their causes;

(iii) minimizing the adverse effects that sanitary and phytosanitary regulations and barriers can have on trade in agriculture, taking into account the relevant international agreements.

In order to achieve the above objectives, the negotiating group having primary responsibility for all aspects of agriculture will use the Recommendations adopted by the Contracting Parties at their Fortieth Session, which were developed in accordance with the GATT 1982 Ministerial Programme and take account of the approaches suggested in the work of the Committee on Trade in Agriculture without prejudice to other alternatives that might achieve the objectives of the Negotiations.

GATT Articles
Participants shall review existing GATT articles, provisions and disciplines as requested by interested contracting parties, and, as appropriate, undertake negotiations.

Safeguards
(i) A comprehensive agreement on safeguards is of particular importance to the strengthening of the GATT system and to progress in the MTNs.

(ii) The agreement on safeguards:
- shall be based on the basic principles of the General Agreement;
- shall contain, *inter alia*, the following elements: transparency, coverage, objective criteria for action including the concept of serious injury or threat thereof, temporary nature, degressivity and structural adjustment, compensation and retaliation, notifications, consultation, multilateral surveillance and dispute settlement; and
- shall clarify and reinforce the disciplines of the General Agreement and should apply to all contracting parties.

MTN Agreements and Arrangements
Negotiations shall aim to improve, clarify, or expand, as appropriate, agreements and arrangements negotiated in the Tokyo Round of Multilateral Negotiations.

Subsidies and countervailing measures
Negotiations on subsidies and countervailing measures shall be based on a review of Articles VI and XVI and the MTN agreement on subsidies and countervailing measures with the objective of improving GATT disciplines relating to all subsidies and countervailing measures that affect international trade. A negotiating group will be established to deal with these issues.

Dispute settlement
In order to ensure prompt and effective resolution of disputes to the benefit of all contracting parties, negotiations shall aim to improve and strengthen the rules and the procedures of the dispute settlement process, while recognizing the contribution that would be made by more effective and enforceable GATT rules and disciplines. Negotiations shall include the development of adequate arrangements for overseeing and monitoring of the procedures that would facilitate compliance with adopted recommendations.

Trade-related aspects of intellectual property rights, including trade in counterfeit goods
In order to reduce the distortions and impediments to international trade, and taking into account the need to promote effective and adequate protection of intellectual property rights, and to ensure that measures and procedures to enforce intellectual property rights do not themselves become barriers to legitimate trade, the negotiations shall aim to clarify GATT provisions and elaborate as appropriate new rules and disciplines.

Negotiations shall aim to develop a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods, taking into account work already undertaken in the GATT.

These negotiations shall be without prejudice to other complementary initiatives that may be taken in the World Intellectual Property Organization and elsewhere to deal with these matters.

Trade-related investment measures
Following an examination of the operation of GATT Articles related to the trade restrictive and distorting effects of investment measures, negotiations should elaborate, as appropriate, further provisions that may be necessary to avoid such adverse effects on trade.

E. Functioning of the GATT system
Negotiations shall aim to develop understandings and arrangements:

(i) to enhance the surveillance in the GATT to enable regular monitoring of trade policies and practices of contracting parties and their impact on the functioning of the multilateral trading system;

(continued on p. 5)
MINISTERIAL DECLARATION (continued)

(ii) to improve the overall effectiveness and decision-making of the GATT as an institution, including, *inter alia*, through involvement of Ministers;

(iii) to increase the contribution of the GATT to achieving greater coherence in global economic policy-making through strengthening its relationship with other international organizations responsible for monetary and financial matters.

**F. Participation**

(a) Negotiations will be open to:

1. all contracting parties,
2. countries having acceded provisionally,
3. countries applying the GATT on a *de facto* basis having announced, not later than 30 April 1987, their intention to accede to the GATT and to participate in the negotiations,
4. countries that have already informed the Contracting Parties, at a regular meeting of the Council of Representatives, of their intention to negotiate the terms of their membership as a contracting party, and
5. developing countries that have, by 30 April 1987, initiated procedures for accession to the GATT, with the intention of acceding to the GATT and to participate in the negotiations,

(b) Participation in negotiations relating to the amendment or application of GATT provisions or the negotiations of new provisions will, however, be open only to contracting parties.

**G. Organization of the negotiations**

A Group of Negotiations on Goods (GNG) is established to carry out the programme of negotiations contained in this Part of the Declaration. The GNG shall, *inter alia*:

(i) elaborate and put into effect detailed trade negotiating plans prior to 19 December 1986;

(ii) designate the appropriate mechanism for surveillance of commitments to standstill and rollback;

(iii) establish negotiating groups as required. Because of the interrelationship of some issues and taking fully into account the general principles governing the negotiations as stated in B(iii) above it is recognized that aspects of one issue may be discussed in more than one negotiating group. Therefore each negotiating group should as required take into account relevant aspects emerging in other groups;

(iv) also decide upon inclusion of additional subject matters in the negotiations;

(v) co-ordinate the work of the negotiating groups and supervise the progress of the negotiations. As a guideline not more than two negotiating groups should meet at the same time;

(vi) the GNG shall report to the Trade Negotiations Committee.

In order to ensure effective application of differential and more favourable treatment the GNG shall, before the formal completion of the negotiations, conduct an evaluation of the results attained therein in terms of the Objectives and the General Principles Governing Negotiations as set out in the Declaration, taking into account all issues of interest to less-developed contracting parties.

**PART II – NEGOTIATIONS ON TRADE IN SERVICES**

Ministers also decided, as part of the Multilateral Trade Negotiations, to launch negotiations on trade in services.

Negotiations in this area shall aim to establish a multilateral framework of principles and rules for trade in services, including elaboration of possible disciplines for individual sectors, with a view to expansion of such trade under conditions of transparency and progressive liberalization and as a means of promoting economic growth of all trading partners and the development of developing countries. Such framework shall respect the policy objectives of national laws and regulations applying to services and shall take into account the work of relevant international organizations.

GATT procedures and practices shall apply to these negotiations. A Group on Negotiations on Services is established to deal with these matters. Participation in the negotiations under this Part of the Declaration will be open to the same countries as under Part I. GATT secretariat support will be provided, with technical support from other organizations as decided by the Group of Negotiations on Services.

The Group of Negotiations on Services shall report to the Trade Negotiations Committee.

**IMPLEMENTATION OF RESULTS UNDER PARTS I AND II**

When the results of the Multilateral Trade Negotiations in all areas have been established, Ministers meeting also on the occasion of a Special Session of Contracting Parties shall decide regarding the international implementation of the respective results.
Before proposing adoption of the Ministerial Declaration on the Uruguay Round, the Chairman noted that the purpose of the Declaration was to launch multilateral trade negotiations on goods and services. This involved taking three decisions: the first would be to adopt, as the Contracting Parties, Part I of the Declaration, relating to negotiations on trade in goods; the second would be to adopt Part II, on trade in services, as representatives of Governments meeting on the occasion of the Special Session of the Contracting Parties at Punta del Este; thirdly, again as representatives of Governments meeting on the occasion of the Special Session of the Contracting Parties at Punta del Este, to adopt the Declaration as a whole.

He then made the following specific points:

Representatives of certain governments had expressed concern regarding a number of problems relating, in particular, to commodities, natural resource-based products and tropical products. Those governments were concerned that solutions to their problems be found and implemented quickly. Specific proposals had been put forward by certain African governments. While he was sure that this conference attached great importance to those concerns, it had not been possible to complete consideration of the proposals at the conference. It had, therefore, been agreed that the proposals would be considered by the Trade Negotiations Committee foreseen in the Declaration.

In order to participate fully in the negotiations, developing countries would require technical support. There was agreement that technical support by the Secretariat, adequately strengthened, should be available to developing countries participating in the negotiations.

Some governments had expressed concern over trade measures applied for non-economic reasons.

He then summarized discussions that had taken place on the objectives of the negotiations:

- There had been a proposal to include, among the objectives of the negotiations, that of redressing growing, disequilibria in world trade and of achieving, in the spirit of the Preamble to the General Agreement, a greater mutuality of interests.
- However, it had been represented that the foregoing proposal might lead to a trading system incompatible with the basic objectives and principles of GATT, the guarantor of the open and non-discriminatory trading system.
- Nevertheless, it was common ground that growing disequilibria in world trade constituted a serious problem and would need to be tackled by the countries concerned by various policy means including macro-economic policy, exchange rates, structural reform and trade policy.
- It was furthermore agreed that in the negotiations every contracting party should make genuine efforts to ensure mutual advantages and increased benefits to all participants, in accordance with the principles of the GATT.

Some proposals had been received regarding the setting up of negotiating groups for the negotiations. These proposals would be formally circulated after the Session.

He noted that there were certain issues raised by delegations on which a consensus to negotiate could not be reached at this time. These issues included the export of hazardous substances, commodity arrangements, restrictive business practices and workers' rights.

He then clarified that it was understood that paragraph F(b) was interpreted as meaning that (a) all participants in the multilateral trade negotiations have the right to participate in all negotiations on all issues and that (b) non-contracting parties shall only be precluded from participation in decisions of contracting parties relating to the results of these negotiations.

The conference had noted requests by certain governments, not at present covered by the provisions in the Declaration on participation, to take part in the multilateral trade negotiations. The Director-General was authorized, upon request by such governments, to keep them informed of progress in the negotiations.

No delegation present would see in the Declaration all the points that it wished to be included when this meeting had opened. Many of the specific concerns of delegations would have to be pursued in the negotiations themselves, and this was as it should be.

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**Coming GATT activities**

Tentative programme of meetings for

**November**

5-6 Council (special and regular meetings)
10-11 Committee on Customs Valuation
11-12-14 Committee on Trade and Development
17-19 Textiles Surveillance Body
24-27 42nd Session of the Contracting Parties

**December**

2-4 Textiles Surveillance Body
4-5 Committee on Tariff Concessions
8  Textile Committee
8-9 Meat Market Analysis Group
10-12 Committee on Balance-of-Payments
11-12 International Meat Council
15-16 Committees on Milk Powders, Milk Fats and Cheeses
15-17 Textiles Surveillance Body

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**Trade Negotiations Committee meets on 27 October**

The Trade Negotiations Committee established by the Ministers at Punta del Este to oversee the new round of multilateral trade negotiations is to hold its first meeting on 27 October. This will be mainly devoted to organizational questions. The meeting of the TNC will be followed by the first session of its two subsidiary negotiating groups: that on goods and that on services.
Wintry rainstorms pelted the Uruguayan seaside resort of Punta del Este last week, forming an ominously fitting backdrop for the historic meeting of government ministers. Officials from 74 countries had arrived there to confront the ill wind of protectionism, which is threatening to freeze international trade and economic growth. The ministers, who at times donned Uruguayan wool sweaters and huddled around space heaters, struggled to agree on an agenda for a multiyear series of talks that they hope will create warmer trade relationships around the world. Declared Uruguayan President Julio Maria Sanguinetti as he opened the five-day meeting: "We have to decide whether we are going to promote active and vigorous trade with equal opportunities for all, or whether we will choose the path of trade wars."

(Time Magazine)

We cannot speak here of "winners and losers", since the negotiating stage, which will go on for several years, will begin a few months from now, and because only time will tell whether what was agreed here will actually be useful for the participating countries (...).

Each country fought for what it believed, and defended—as we would logically assume—the interests of its people. The negotiations here in Punta del Este were not merely meetings of experts or specialists on a particular subject. They were negotiations of peoples, because those who came here, from the United States to the smallest developing country, represented their peoples, and brought from their in many cases far-off lands, an opinion which reflected the feeling of millions (...).

No one can deny that there now also exists a better understanding, on the part of the developed world, of the developing world. Beyond differences of interests, this was a constant reality during the talks, and later became an important element in the negotiations themselves.

(El Dia Uruguay)

The participants agreed on the need for liberalization and expansion of world trade, strengthening of GATT's role, increased co-operation to link expansion of international trade to the economic growth and development of the third world (...).

This decision reflects the will of the international community to inject some order into the trading system and prepare the future of economic relations. (Le Figaro)

The round is significant in more than one respect. First of all, it constitutes a solemn commitment by political leaders all over the world to respect the rules they are going to lay down, to strive for trade expansion and hence employment, to block any protectionist leanings. The horizon is that of the year 2000. Secondly, the number of participating countries has increased greatly (more than double the forty-six in the Kennedy round); this reflects changes in the structure of trade and the world economy. Thirdly—and without doubt most importantly—the new round will cover everything which is now the subject of international transactions, and not merely as hitherto, trade in goods alone.

(Agence Europe)

The trade talks at Punta del Este have ended in success—in the sense that they did not end in disaster. But at this earliest stage of an exceedingly intricate negotiation, that is success enough. Nobody stamped out of the meetings in a huff. Nobody managed to strip any of the major subjects off the agenda (...).

The nature of world trade has been changing, and these talks are an attempt to extend the present rules to new circumstances. Falling commodity prices, for example, have set off a fierce competition in export subsidies for farm products, a destructive practice that ought to be illegal. Another example: trade in goods is now growing comparatively slowly, which makes trade in services such as insurance and finance a particularly inviting sector for expansion.

(Washington Post)

The news out of Punta del Este, Uruguay, indicates that the global community is not coming unraveled. It also reminds us that the forces for economic co-operation outweigh calls for the type of go-it-alone divisiveness of the late 1920s and early '30s that helped spur global economic chaos.

The Punta del Este session involved a good portion of the world's top government trade specialists. Their task was difficult enough: seeking agreement on a new set of guiding principles that could ensure a continually expanding world commerce. The sessions were often acrimonious. But the results were better than almost anyone had expected.

(Christian Science Monitor)

For, in all modesty, GATT is in the process of doing what no international organization of comparable size had ever been able to dream of attaining—cleaning up the past and building the future.

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LAUNCHING OF "URUGUAY ROUND"

Warm welcome from international financial circles

The decision to launch a new round of multilateral trade negotiations in GATT has been greeted with satisfaction by bodies of the International Monetary Fund and the World Bank meeting in Washington at the end of September during the annual meetings of the IMF and the World Bank, as well as by the finance ministers of the Commonwealth.

The Interim Committee "warmly welcomed the recent Ministerial Declaration on the Uruguay Round of multilateral trade negotiations, which is aimed at halting and reversing protectionism and developing a more open multilateral trading system, thereby reaffirming the role of trade policy in facilitating sustainable economic growth. Given the difficulty of the task, the Committee urged governments to make every effort to ensure an early and successful conclusion to the new round."

For the Development Committee, the decision constituted "a significant step in strengthening and expanding the international trading system". It considered that "effective implementation of the standstill and rollback commitment made at Punta del Este was essential for reducing protectionism and to the success of the new round". The Commonwealth finance ministers, meeting at St. Lucia in late September, "expressed relief that the agreement reached at Punta del Este for a new round of trade negotiations reduced the dire threat of a trade war and opened up new possibilities for increased trade and prosperity (...). They hope this first step would lead to a period in which protectionist barriers would be rapidly dismantled and a stimulus, thereby, given to the world economy. They emphasized the importance of such liberalization for the exports of developing countries in as much as it assists them to service debt and to diversify out of their current over-dependence on commodities. They stressed, further, the link between agricultural protectionism in major industrial countries and the weakness in many commodity markets. They called for radical adjustment measures by these countries to remove such distortions. They noted, in particular, the specific inclusion of agriculture in the agreement reached at Punta del Este.

Press Excerpts (continued)

GATT came into existence in the immediate aftermath of the war as a pure fruit of the industrial society, of machinery. It largely disregarded what makes up our past--agriculture--and what constitutes our future--services, i.e. broadly speaking all those economic activities that involve more brainpower than physical effort. In deciding to relocate their organization at the centre of the ancient and modern flows of international trade, the members of GATT are at the same time restoring the lustre that was beginning to dim.

Ministers of the 92 nations which subscribe to the General Agreement on Tariffs and Trade should be congratulated for a double success. Not only is the agenda the broadest in the GATT's history, but is has all the marks of positive consensus, not merely of defensive compromise.

By overcoming deeply-felt differences, especially between north and south, ministers in Punta del Este this week have sent a signal to the world that the open trading system can be revitalized in such a way as to reinforce, not drag down, growth and stability in the world economy.

(Continued from Neue Ziircher Zeitung)

Although the discussions had been bitter during the closing stages, the representatives of many delegations present at the negotiations expressed confidence after adoption of the Ministerial Declaration. It was stated a number of times that there were no losers at Punta del Este, that the path had been traced for in-depth liberalization of world trade which would ultimately be beneficial to all countries, whether developing or industrialized. It was generally recognized that the "spirit of Punta del Este" was a good omen for the coming negotiations.

More equitable and dynamic framework for world trade

Speaking before the Development Committee of the International Monetary Fund and the World Bank on 29 September, Arthur Dunkel, Director-General of GATT, commented on the launching of a new round of multilateral trade negotiations.

"It is hoped that the launching of these negotiations will create a climate of confidence conducive to investment and job creation. The immediate impact of this signal will, of course, depend a great deal on the effectiveness with which the commitments on standstill and rollback of protective measures are implemented by governments", he said and highlighted the following points:

- "First, the Declaration addresses itself to some deep-rooted problems which underlie the erosion of the trading system; it emphasizes the need for a new understanding based on safeguards based on the GATT principles, and the need to bring into the framework of GATT such long-neglected sectors of trade as agriculture and textiles."

- "Secondly, the Declaration seeks to expand the area of trade liberalization in many sectors of traditional concern to developing countries."

- "Thirdly, the Declaration addresses itself to the need to make the GATT more responsive to developments in the trading environment, so that it can be a more dynamic and adequate instrument for regulating trade flows over the end of the century."

- "Finally, the decision to launch a negotiation on trade in services represents an effort to establish a framework of multilateral cooperation in an area which is of growing importance to the economies of a very large number of countries where problems are only now beginning to be identified."