April Council

Panel says EC duties on “screwdriver assembly” products against GATT rules

Dispute settlement dominated the Council meeting on 3 April. A panel presented its findings on the first formal complaint lodged by Japan since joining the GATT. It ruled that the European Community’s imposition of “anti-dumping duties” on so-called “screwdriver assembly” products was contrary to GATT provisions. The Council established a panel to examine a United States’ complaint about Thailand’s measures on imported cigarettes. The United States announced that a dispute with Korea on the latter’s import restrictions on beef had been resolved.

The Soviet Union has requested observer status in the GATT as a first step towards applying for membership. In a communication presented at the Council meeting, the Soviet Union said that to examine the prerequisites of a future accession to the GATT, it would like to get acquainted with work of various GATT bodies and keep the GATT members regularly informed of the process of restructuring the economy of the Soviet Union.

The Council Chairman, Ambassador Rubens Ricupero (Brazil), reported that consultations were still underway on the Soviet application. The Council agreed to consider again this matter at its next meeting scheduled for 16 May.

On pending accessions, the Council approved Guatemala’s request to change its application from that of provisional to full accession to the GATT. The Central American country announced it was ready to start tariff negotiations with interested GATT members. The Chairman announced the appointment of Ambassador Michael Lillis (Ireland) to head the Working Party on the Accession of Bulgaria. Bulgaria welcomed this decision as a signal that work on its membership request would start soon. The Council granted Tunisia’s request to extend the time-limit for signature of its Protocol of Accession to 31 July 1990.

(Continued on page 2)

Uruguay Round

Pressure on negotiations stepped up

A significant increase of pace in the conduct of the negotiations and a willingness to move from entrenched national positions will be necessary during the April-July period leading to the development of a complete profile of the final Uruguay Round package by the next meeting of the Trade Negotiations Committee in the week of 23 July. This objective was agreed at the April meeting of the TNC which also decided to appoint Dr. Hector Gros Espiell, Uruguay’s Foreign Minister, as chairman of the Committee at Ministerial level.

(Continued on page 5)
April Council
(Continued from page 1)

Venezuela expressed concern about what it saw as a dramatic change of attitude by certain industrialized GATT members towards its membership application. It expressed surprise at the demands made by some delegations at a recent meeting of the Working Party examining its accession request, which it considered went beyond the level of commitments which could reasonably be expected from a developing country. The Latin-American countries urged that sympathetic consideration be given to Venezuela's economic position.

Panel rules on JAPAN/EC "screwdriver assembly" trade dispute

A dispute-settlement panel reported its findings on Japan's complaint against the European Community's "anti-dumping" duties on so-called "screwdriver assembly" products. The Council had established the panel, at Japan's request, in October 1988. The terms of reference and composition of the panel were agreed in May 1989. The panel began work in July 1989 and submitted the report to the parties concerned in March 1990.

The measure in question was Article 13:10 of the EC Council Regulation 2423/88 which was aimed at preventing "circumvention" of anti-dumping duties through the establishment of assembly facilities within the Community. Under the Regulation, an "anti-dumping" duty may be imposed on an EC-assembled product if:

- it was assembled or produced by a company related to a manufacturer whose exports were subject to anti-dumping duties;
- it started to be produced or produced at a substantially higher level after the opening of the anti-dumping investigation; and
- if it used parts and materials originating in the country subject to the original anti-dumping duty whose value exceeded the value of all parts or materials used by at least 50 per cent.

Products subjected to this measures were: electronic typewriters, electronic weighing scales, hydraulic excavators, plain-paper photocopiers, ball bearings, serial impact dot matrix printers and video cassette recorders.

Japan argued before the panel that the EC regulation and the measures taken under it were inconsistent with a number of GATT Articles, particularly Articles I (most-favoured-nation), II (tariff concessions) and III (national treatment). Furthermore, it claimed none of these breaches of GATT could be justified under the terms of Article XX. Japan said the EC regulation entailed discrimination between foreign-capitalized companies and domestically-capitalized companies. In trying to avoid duties under the regulation, it said companies concerned sometimes faced increased costs and delays in meeting the requirement to purchase locally-produced parts.

The EC replied that it had enacted the regulation because of complaints from domestic producers that low-cost "screwdriver" assembly operation in the Community sought to circumvent the original anti-dumping duties imposed on the Japanese products. In formulating the regulation, the EC had ensured that it would be in conformity with GATT. The duties imposed under the regulation were not internal charges within the meaning of Article III. Even if the duties imposed under the regulation were inconsistent with Articles I, II and III, they were justified under Article XX(d) which states that "nothing in this Agreement shall be construed to prevent the adoption or enforcement by any contracting party of measures ... (d) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Agreement ..."

The panel received detailed submissions from Australia, Hong Kong, Korea and Singapore critical of the EC regulation. The United States and Canada made presentations sympathetic to the objective of avoiding circumvention of anti-dumping duties.

The panel made the following findings:

- The anti-circumvention duties on finished products, being levied on products manufactured within the EC, were not customs duties within the meaning of Article II but internal charges within the meaning of Article III. Since they subjected imported parts and materials indirectly to an internal charge in excess of that applied to like domestic products they were contrary to Article III: 2.

- The decision of the EC to suspend proceedings under the circumvention provision of the Regulation as a result of undertakings by enterprises to inhibit the use of Japanese parts or materials in their assembly operations implied treatment to imported products less favourable than that accorded to like products of national origin in respect of their internal use. They were, therefore, inconsistent with Article III: 4.

- Article XX(d) allows contracting parties to deviate from their obligations under the General Agreement if this is necessary to prevent enterprises from evading obligations that may be imposed upon them consistently with the General Agreement (for instance, the evasion of the obligation to pay an import duty). It is not a provision permitting contracting parties to prevent actions by enterprises designed to avoid an obligation coming into existence (for instance the importation of a substitutable product not subject to the duty or the transfer of production to the duty-levying country). Therefore, since neither the EC's anti-circumvention duties nor the undertakings serve to prevent the evasion of the obligation to pay anti-dumping duties, they were not covered by Article XX(d).

The panel recommended that the Community bring its application of Article 13:10 (of Regulation 2423/88) into conformity with its obligations under the General Agreement.

The panel told the Council it had received a letter from the EC requesting a reconsideration of its findings. The panel rejected the further arguments put forward by the Community and reasons explained in a detailed statement by the Chairman of the panel when introducing the report to the Council.

Japan said the panel reached balanced and well-reasoned conclusions and urged the adoption of the report. It said it was important that GATT rules govern international trade and not unilateral ones. It recalled that it had agreed on previous occasions to adopt panel reports unfavorable to Japan, and called on the Community to observe the spirit of the streamlined GATT dispute-settlement mechanism.

The Community said that while it had not finalized its position, it had serious concerns and doubts about the panel's findings. The panel, according to the EC, did not address the very real and serious problem of circumvention of anti-dumping duties. The Community criticized what it saw as a very formalistic and narrow interpretation of GATT rules. In particular, it said the panel's interpretation of Article I in respect of distinguishing between a duty and an internal tax did not take account of current customs practices. In addition, the panel's interpretation of Article XX(d) made this GATT provision meaningless because it would not be able to justify any measure.

Korea, Hong Kong, the ASEAN group of contracting parties and Australia supported the adoption of the report. The United States, Canada, Brazil, India and Pakistan indicated they were still studying the report.

The Council decided to resume consideration of the panel report at its next meeting.
Panel to examine
Thailand's measures on foreign cigarettes

The Council considered two requests for the establishment of dispute-settlement panels. The United States, reporting that bilateral consultations had failed, reiterated its request for a panel to examine Thailand's restrictions on the importation of and internal taxes on cigarettes (see Focus No. 69).

Thailand said it could agree to the US request, stressing that it shared with other developing countries the view that by agreeing to multilateral procedures, unilateral measures could be prevented. It hoped that bilateral pressures could be lifted with the case now under the GATT dispute-settlement procedures. It said it was essential to follow GATT procedures on measures affecting trade of developing countries, and recalled that the Contracting Parties had agreed to extend the period for Thailand to bring its tax rates, including those on cigarettes, into conformity with Article III. On the dispute-settlement process, Thailand reserved the right to consult with other international organizations, including those with competence on promoting human health.

The Council agreed to establish a panel to examine the US complaint against Thailand.

Canada requested the establishment of a panel to examine its rights related to the export of grains to the European Community which arose out of the annual report to GATT covering: any disciplines in international trade of agricultural products, presented the body's report on its examination of the 29th and 30th annual reports by the United States which covered the period October 1985 to September 1987. [Note: In March 1955, the United States' obligations under Articles II (Schedules of Concessions) and XI (General Elimination of Quantitative Restrictions) of the General Agreement were waived to the extent necessary to prevent a conflict with actions required of the US Administration under Section 22 of the US Agricultural Adjustment Act. The question in section requires the Administration to impose quantitative restrictions and special duties on imports likely to damage US farm support programmes. The Waiver specified that the United States should submit an annual report to GATT covering: any modification or removal of restrictions since the previous report; restrictions currently in effect; reasons why such restrictions (whether or not covered by the Waiver) continue to be applied; and steps taken during the reporting period towards resolving the surpluses of agricultural commodities. The US reports are examined by a Working Party, open to all interested GATT members.]

According to the report, most members had wanted the Working Party to recommend that the United States undertake a review of the Waiver in order to set a realistic time-frame for its termination. The United States dis-agreed. It maintained that Section 22 was needed to deal with the lack of operationally effective GATT rules and disciplines in international trade of agricultural commodities. The Working Party was not able to reach agreement on conclusions or make unanimous recommendations.

The European Community criticized the United States for blocking a consensus in the Working Party. It said the US Waiver had created an imbalance of rights and obligations in the GATT and suggested deferring consideration of the Working Party's report. Tanzania, Canada, Australia and the Nordic countries expressed concern about the lack of progress in removing the 35-year-old waiver.

The United States stressed that the Waiver was already on the table in the Uruguay Round negotiations on agriculture. It said solutions on problems in this area depended on a successful outcome in the Uruguay Round.

The United States presented its 31st and 32nd annual reports, covering October 1987 to September 1988 and October 1988 to September 1989, respectively.

The Council agreed to resume consideration of the Working Party's report at the next meeting, and to defer establishing a Working Party to examine the 31st and 32nd reports by the United States.

Report on Switzerland adopted

Mr. Alejandro de la Pena (Mexico), acting chairman of the Working Party which examined the 1985-1986 annual reports by Switzerland under Paragraph 4 of its Protocol of Accession, presented the Party's report to the Council. Some members of the Working Party were of the view that a successful Uruguay Round agreement on strengthened and more operationally-effective GATT rules and disciplines should include the termination of Switzerland's partial reservation. Switzerland replied such an issue was beyond the mandate of the Working Party.

[Note: When Switzerland's Protocol of Accession to the GATT was negotiated, the Swiss Government reserved its position with regard to the application of Article XI (General Elimination of Quantitative Restrictions) of the General Agreement to permit the application of certain import restrictions affecting agricultural products in conformity with national legislation. Paragraph 4 of the Protocol contains the Swiss reservation. It also calls for annual reports by Switzerland on measures maintained under the reservation and for a thorough triennial review by the Contracting Parties. Switzerland joined the GATT in August 1966.]

Switzerland urged the adoption of what it called a balanced report. New Zealand said it was inevitable that a Uruguay Round outcome would have implications on the Swiss reservation. Australia and Uruguay regretted that Switzerland had not made clear its future undertaking on the subject and urged that the reservation be terminated at the end of the Round.

Leading exporters and importers in world merchandise trade, 1989

(Billion dollars and percentage)

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* Includes substantial re-exports. For Hong Kong, re-exports accounted for 61 per cent of total exports in 1989, and for Singapore the corresponding figure was 37 per cent; t* Imports f.o.b.; 't' Includes substantial imports for re-export; 't' Includes estimates of trade flows through processing zones.

US regains first place in exports

The United States regained its position as the world's leading exporter in 1989 after three years in second place behind the Federal Republic of Germany. (This was the result of two factors - the higher volume growth of United States' exports and the depreciation of the D-mark against the dollar - either one of which would have been sufficient to move the United States into first place.) Among the twenty-five leading merchandise traders in 1989, there were three which increased their export rankings by two places relative to 1988 (China, Mexico and Saudi Arabia), and two which increased their import rankings by two places or more (the Republic of Korea, up two places, and Finland, up three places). Three of the traders in the table - Saudi Arabia, Mexico and Hong Kong, in descending order - reported percentage gains in exports that were more than double the 7 1/2 per cent world average. Among those with less dynamic performances, six reported export increases of less than one-half the world average - the German Democratic Republic, the Republic of Korea, Canada, Switzerland, Brazil, and Denmark - while the USSR reported a small decline in the value of exports. The corresponding figures for import growth show five countries at more than double the world average: Mexico, the Republic of Korea, Spain, Australia, and Finland; and five at less than one-half the world average - the USSR, Denmark, Switzerland, Czechoslovakia, and the German Democratic Republic.

Taking a longer-term view, Canada's move from tenth place to seventh place - on both the export and import sides of the table - was the most significant change among the top ten traders between 1979 and 1989. In the rankings from eleven through twenty-five, the changes were much larger and more numerous. On the export side, six economies moved up ten ranks or more between 1979 and 1989 - China (18 ranks), Hong Kong and Mexico (15 each), the Republic of Korea (14), Singapore (13), and Taiwan (10). On the import side, the largest gains were reported by Hong Kong (up 11 ranks), China (10), Taiwan (9), and Mexico (8).

These changes in the rankings must be seen against the background of the overall expansion of world merchandise trade between 1979 and 1989. Leaving aside the particular case of a decline of more than one-half in Saudi Arabia's exports, the increases in the value of exports over the ten-year period ranged from 68 to 348 per cent. That is, the smallest percentage gain over the period yielded an increase of two-thirds in the dollar value of merchandise export earnings. The smallest increase on the import side (46 per cent) raised the value of imports by nearly one-half. When world trade is expanding, declines in rankings and shares reflect primarily differences in dynamism, not a declining importance of trade in the economies concerned.

The May issue of Focus will contain the GATT Secretariat’s analysis of trade in Eastern Europe and the Soviet Union.
July set for securing profile of final package

- Trade Negotiations Committee 10-11 April

(Continued from page 1)

The meeting began with reports from the Group of Negotiations on Goods, the Chairman of the Surveillance Body and the Chairman of the Group of Negotiations on Services.

The Surveillance Body Chairman drew attention to the absence of substantial results from the rollback commitments and expressed the view that significant effort would be necessary to see the undertaking honoured by the end of the Round. He was supported by several delegations although the European Community reminded the meeting that it had itself made a number of conditional offers.

The Chairman of the Group of Negotiations on Services (see later items) reported that although definitive conclusions had not yet been drawn on any of the items included in its agenda agreed in January, there had in a number of instances been a useful narrowing of focus in those areas where important decisions will have to be taken. These relate to such matters as initial commitments by participating countries, options for progressive liberalization and means of implementing such liberalization, the objective of increasing participation of developing countries, and the practical expression that may be given to it in the framework.

A statement on behalf of developing countries called both for agreement on fundamental issues by July in order to permit the successful conclusion of the Round. At the same time, the statement called for greater effort to ensure the interest of developing countries were adequately reflected throughout the negotiation and in line with the Punta del Este Declaration. The special difficulties of Africa were highlighted in a statement by a group of African delegations and called for proper attention to the continent's particular structural handicaps and to the vulnerability of their economies to the external environment.

In summing up the debate, the Chairman noted some major themes. First, there had been a very strong collective plea in favour of multilateralism. A number of delegations had stated that one of the main elements necessary to make a multilateral system work was a strong, reliable and implemented dispute settlement mechanism. Second, there had been a very clear indication of the wish of the participants to keep to the ambitious objectives defined in the Punta del Este Declaration. Third, there had been a general perception that since the launching of the Uruguay Round, the political and economic map of the world had changed dramatically and in a direction which made a strong multilateral trading system even more indispensable than had been envisaged three years ago. Fourth, the relevance of the Uruguay Round for the present and future cooperation in the economic and trade field had increased dramatically because of this evolution.

The Chairman expressed concern at the fact that it was very difficult for him to identify areas of real convergence in respect of substantive issues in different negotiating areas. This fact would in itself have been a serious source of worry had it not been balanced by a number of statements expressing a readiness to negotiate. More importantly, it had been generally recognized that the work carried out until now had established the parameters for true and effective negotiations. He noted that the great majority of the participants had recognized that the July deadline was crucial for the success of the Round because there was a wide-spread awareness that if, by that time, it was not possible to draw up the profile of a package, the rendezvous of Brussels would be in great jeopardy.

He concluded by saying that while there was no room for satisfaction, neither was there room for pessimism. The challenges were very well defined. Delegations knew that Ministers could not be expected to go into the details of a large number of specific texts but would have important decisions to take in Brussels which related not only to the substance of each of the negotiating subjects, but also to how to ensure the implementation of the results in political, administrative and institutional terms. The Committee agreed that its chairman at future ministerial level meetings should be Dr. Hector Gros Espiell, Uruguay's new Minister of Foreign Affairs.

- Group of Negotiations on Goods 9 April

A one-day meeting of the Group was devoted largely to discussion of specific aspects of the work of the 14 negotiating groups for which it is responsible.

Nevertheless, some participants took the opportunity to make general points in setting the negotiations in context. In particular, several representatives pointed to the link between their own autonomous efforts at economic restructuring and trade reform and the need for a successful outcome to the Uruguay Round. This was the case as much with centrally-planned economies moving to introduce a market economy structure as with indebted developing countries turning to liberal market solutions to their own long-standing difficulties. Indeed, many of these countries felt that the liberalization of their economies had already led to a contribution to the multilateral trading system which deserved recognition and a response from others. It was widely asserted that the economic changes taking place worldwide had made the Round far more relevant than ever.

With regard to specific negotiating areas, concern was expressed in several areas. It was widely felt that attempts to introduce selectivity into the safeguards system were misguided and could only undermine the principles of GATT. The failure so far to agree a modality for the reintegration of the textiles and clothing sector into GATT was also widely criticized as was a perceived lack of progress in the agricultural negotiations. Some participants remarked that tariff and tropical product offers so far tabled in the market access negotiations were disappointing. Concern was also directed at what was viewed by some as an imbalance between the progress being made in some of the new areas and the slowness with which groups covering traditional subjects were moving.

Several delegations considered misplaced proposals to negotiate on the balance-of-payments articles of the GATT, especially Article XVIII :B which applies to developing countries. However, an alternative view was that there was a danger of abuse of these provisions which could lead to an imbalance in the rights and obligations of contracting parties.

On the other hand, there was a general acceptance of the urgency with which the next stage of the Round should be pursued. Some participants felt that the elements for a successful deal in December were emerging. The Chairman's proposal that the profile of the final package - whether completed agreements or framework agreements at an advanced stage - should be visible by the end of July was widely supported.

- Functioning of the GATT System 19 February

The Group continued its discussion on the joint submission from Australia, Canada, Hong Kong and New
Zealand concerning domestic transparency, in the formulation of national trade policies.

All delegations affirmed their support for the principle of transparency. Many echoed the submission's acknowledgement that in practical terms domestic transparency could not be imposed on contracting parties, but still felt that it was worth making efforts within the Group to translate the concept into operational terms. The idea that domestic transparency would be a voluntary process was acknowledged by some delegations as an important element in the proposal, although one delegation felt that this reduced the proposal to a declaration of intent.

The EC put forward a paper concerning the pursuit of greater coherence between trade, monetary and financial policies, through a political commitment by governments and a framework for cooperation among institutions. The paper was presented as the Community's contribution to the continuing discussions within the Group on how the GATT could achieve greater coherence in global economic policy-making through strengthening its relationship with other international organizations responsible for monetary and financial matters.

The paper noted that trade policy inevitably interacts with the international monetary system and financial policies linked to development. It proposed a joint declaration on policy coherence, to be adopted at the ministerial level by the GATT, the IMF and the World Bank, which would also establish a formal agreement on institutional cooperation between GATT and the other two institutions. The proposal also suggested that the three institutions should produce a regular joint report on coherence which would bring to ministerial attention major issues arising from the interaction of the trade, monetary and financial systems. The delegation of Switzerland presented its proposal on domestic implementation of trade rules and enforcement of governmental decisions related to international trade. This paper had also been submitted to the Negotiating Groups on MTN Agreements and Arrangements, and on Dispute Settlement.

2 April

The Group completed the elements of the Trade Policy Review Mechanism, in effect since mid-1989, by reaching agreement on the reporting requirements to be applied in reviews of the policies of least-developed countries.

The Group continued its discussion of the joint proposal from Australia, Canada, Hong Kong and New Zealand concerning domestic transparency. Many delegations said that they could support the proposal if it was made clear that it would involve a voluntary undertaking on the part of contracting parties. The Chairman invited the co-sponsors to submit a modified proposal, explicitly stating that the undertaking would be voluntary, to enable the Group to arrive at a preliminary conclusion on the substance of the proposal and to begin consideration of the context in which it should be placed in the final outcome of the Round. The Group also discussed improvement of GATT notification procedures.

The Group continued its examination of ways to increase GATT's contribution to achieving greater coherence in global economic policy-making.

At the invitation of the Chairman, the IMF representative explained the views of the Fund on institutional arrangements for enhanced cooperation between the three bodies. She expressed the Fund's preference for an informal approach to cooperation with the GATT, and noted that a joint declaration, as proposed by the EC, between the Fund, the Bank and the GATT would be logistically difficult to achieve, although its desirability was a matter for governments to decide.

The representative of the World Bank, invited to present his agency's views, said that the Bank welcomed the efforts for increasing coherence and supported further strengthening of the Bank's relationship with the GATT. The Bank believed that cooperation should be kept on an informal basis and that ministerial involvement should remain flexible.

MTN Agreements and Arrangements

19-20 February

The Group focused on the Anti-Dumping Code. It completed its discussion of the specific issues listed by the Chairman in its framework agenda, which was initiated in January-February.

These issues related to anti-dumping measures — application of provisional measures, undertakings on prices, definitions, duties and their duration — as well as to the situations in which the imposition of anti-dumping measures can occur, recurrent or repeat dumping, and procedures to be followed at any stage of an anti-dumping determination. The Group also discussed the possibility of anti-dumping action on behalf of a third country, judicial reviews, dispute settlement matters and treatment for least developed countries.

21-22 March

In the area of anti-dumping the Group further discussed issues relating to new concepts such as "circumvention, recurrent injurious dumping, repeat corporate dumping". It was agreed that work had to follow a more informal approach at this stage of the negotiations. Informal discussions had already begun already on 23 March, chaired by the Secretariat. On Customs Valuation, there was an exchange of views about improving technical cooperation and exchange of information among customs administrations in order to help developing countries. The proposals of India and Brazil about the problem of overvaluation of goods, which is an important issue for some developing countries, and their request that in cases of fraud the burden of proof should be shifted to importers were discussed on an informal basis. There was also a preliminary discussion of a proposal by Kenya on behalf of the PTA countries, concerning customs valuation problems.

Some clarification was sought about the European Community's proposal to introduce a "transitional membership" provision in the Code on Government Procurement. This might help countries wishing to accede to this Code to better assess the benefits they could draw from their membership as well as the obligations they would have to fulfill. More generally, the question of how accession of new members could be made easier was discussed. On import licensing procedures, clarifications were given on the various proposals, in particular a revised proposal by the USA and Hong Kong about improving notifications and establishing a review mechanism.

Subsidies and Countervailing Measures

Korea and the United States put forward detailed proposals. Korea highlighted the types of subsidies which it believed should be subject to countervailing action. It proposed that domestic subsidies should not be included in the category of prohibited subsidies. Under the non-prohibited but countervailable subsidies, Korea suggested that three conditions must first be met before any countermeasure could be taken: financial contribution by government; sector specificity; and adverse effects on trade. It said that the following government subsidies with socioeconomic objectives should not be viewed as unfair trade practices: structural adjustment assistance, expenditures for establishing social overhead capital (e.g. harbour facilities), research and development, regional assistance, prevention of environmental pollution, and subsidies which do not give specific enterprises or industries any particular benefit or advantage.

The United States proposed an updating of the Subsidies Code to prevent circumvention of countervailing duties. It defined three categories of circumven-
The United States called for the prohibition of subsidies to export-oriented sectors (Japan) and treatment of developing countries - reaffirmed its view that a system of progressive phasing out of the MFA itself was strongly preferred to the proposals for the use of global quotas. At the March meeting, the Group also agreed that its work at the upcoming meetings would be devoted to reaching a draft framework agreement by July 1990.

The Group discussed the applicability of the basic principles of the General Agreement and of the international agreements and conventions relating to intellectual property. The World Intellectual Property Organization provided information on the way in which the treaties it administered defined beneficiaries of national treatment and exceptions to the principle. M.F.A. treatment and non-discrimination, as well as transparency, were also discussed. Besides these principles, which are universally recognized as fundamental, some participants considered there were others which were equally important, such as the balance between rights and obligations, general interest, non-reciprocity, special and differential treatment, and the freedom of each country to determine the scope and level of protection. The relationship between the negotiations underway in GATT and other initiatives in other forums was also discussed.

Japan proposed an MFA-type selective mechanism with tighter and more objective criteria, prior approval by a multilateral surveillance body and built-in provisions for automatic phase-out. Canada stated that their global quotas proposal embodied an MFN non-discriminatory safeguard mechanism.

The EEC proposed that the transitional safeguard mechanism should draw upon the experience gained in the operation of the MFA and provide for emergency actions as well as bilaterally agreed selective restrictive measures.

On the surveillance mechanism, there was a wide acceptance that a surveillance body would be required to oversee the integration process and participants outlined the aspects to be considered including its location within the GATT framework, composition, size, functions and procedures. Discussion on these and other items will continue at the Group’s next meeting in May.

**Trade-Related Aspects of Intellectual Property Rights**

6 and 9 March

The Group discussed the applicability of the basic principles of the General Agreement and of the international agreements and conventions relating to intellectual property. The World Intellectual Property Organization provided information on the way in which the treaties it administered defined beneficiaries of national treatment and exceptions to the principle. M.F.A. treatment and non-discrimination, as well as transparency, were also discussed. Besides these principles, which are universally recognized as fundamental, some participants considered there were others which were equally important, such as the balance between rights and obligations, general interest, non-reciprocity, special and differential treatment, and the freedom of each country to determine the scope and level of protection. The relationship between the negotiations underway in GATT and other initiatives in other forums was also discussed.

2, 4 and 5 April

The European Community put before the Group its draft agreement on trade-related aspects of intellectual property rights. It is the first document presenting an agreement in legal form. The EEC proposes that contracting parties agree, at the outcome of the negotiations, to introduce an Article IX bis into the General Agreement. Article IX bis would stipulate that:
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- Contracting parties provide effective and adequate protection of intellectual property rights in order to ensure that they do not create barriers to legitimate trade;
- That the protection of intellectual property rights should not itself create barriers to legitimate trade;
- And that such protection be provided under the domestic laws and practices of contracting parties, in conformity with rules and disciplines set out in an Annex to the General Agreement.

The Annex requires the contracting parties to comply with the substantive provisions of, and adhere to, the Paris Convention for the Protection of Intellectual Property and the Berne Convention for the Protection of Literary and Artistic Works, as well as to provisions the proposed agreement itself spells out. It affirms the principles of national treatment and most favoured nation treatment/non-discrimination, with exceptions for customs unions and free trade areas. Minimum standards on copyright and related rights including computer programs, trademarks, geographical indications including appellations of origin, industrial designs and patents, lay-out designs of integrated circuits and acts contrary to honest commercial practices including protection of undisclosed information are proposed. In some respects the EC has significantly modified its previous proposals on those matters. Enforcement of these rights has to be ensured by means of civil or criminal or administrative law or a combination of them. Effective procedures should be provided at the border and internally, applied in such a manner as to avoid the creation of obstacles to legitimate trade. The Annex outlines general requirements concerning enforcement procedures, including in regard to securing evidence of proof and ensuring that they are fair and equitable. It also contains general requirements or remedies that should be available, including damages, injunctions, criminal penalties and, in cases of abuse of enforcement procedures, indemnification of the defendant. Provisional measures are also specified. Special requirements are established for border measures taken for the suspension by customs authorities of release of suspected infringing goods.

The EC proposes to establish a committee on trade-related intellectual property rights to monitor the operation of the Annex and compliance by contracting parties with their obligations. Disputes on TRIPS matters between contracting parties would be subject to the normal dispute settlement procedure contained in the General Agreement. Contracting parties would commit themselves not to have recourse to unilaterally decided economic measures of any kind and to modify domestic legislation where necessary in order to ensure conformity with this commitment.

Contracting parties should take all necessary steps to ensure the conformity of their laws, regulations and practices with the obligations spelled out, within a timeframe to be determined. However, the proposed Committee on Trade Related Intellectual Property Rights may decide that developing countries which face problems in the preparation and implementation of intellectual laws dispose of an additional period of time. Technical assistance would be available to them.

In commenting on the proposal, most industrialised countries as well as a few developing countries, while having difficulties on specific points, considered that the EC paper could constitute, in whole or in part, a basis for further negotiation. Some other delegations indicated more extensive difficulties on specific points, for example in relation to patents and computer programs and the amount of detail in the proposed commitments on enforcement, but found much that they could support in the proposal. Some other delegations had more profound difficulties, doubting that much of the proposal dealt with trade-related aspects and considering that the proposed level of protection was unsuitable for developing countries and that development and many public policy consideration had been insufficiently taken into account. There were also differing views expressed on the desirability of incorporating the results of the TRIPS negotiations in the General Agreement and on the merits of the technique proposed by the EC for achieving this.

The Group also had an extensive discussion of developmental aspects, with particular reference to principles that developing countries believed should be fully taken into account, such as special and differential treatment, the need for the rights of IPR owners to be balanced by obligations to society and the need for LDCs to have flexibility to adjust IPR protection in line with their stage of development and technological and public interest needs. Many LDCs emphasised that time-limited transitional arrangements would not give them sufficient flexibility and that LDCs should only be obliged to accept higher obligations when their stage of development warranted it. In response, industrialised countries maintained that acceptance of their suggestions would promote development, by encouraging R&D, foreign investment and the transfer of technology. They believed that their proposals already reflected a proper balance between private rights and the public interest. Some said that they would, however, consider specific proposals for S&D presented by developing country participants.

- Safeguards

The Group continued its paragraph-by-paragraph examination of the draft text of a comprehensive agreement in safeguards prepared by the Chairman. All aspects of the draft have now been considered in detail with many amendments now before the Group.

- Natural Resource-Based Products

After lengthy consultations, the Group agreed on procedures for the negotiations. Participants may submit to the Secretariat by 20 April specific proposals in respect of one or more countries. They should also notify the Secretariat of proposals, offers or requests they have made in other negotiating groups which they consider relevant to negotiations in this Group. The proposals and notifications would then be distributed by the Secretariat to all participants who have made either submissions or notifications, or who are the subject of submissions. Participants will endeavour to submit by 21 May to the other participants involved, and simultaneously to the Secretariat, responses to these notifications and submissions.

The Group will meet on 7 May and periodically thereafter to discuss issues, submissions and notifications and to ensure the following: the transparency of the negotiations; the application of the most-favoured-nation principle; that the progress of the negotiations is consistent with progress in the other related negotiating areas; and that the objectives of the negotiations in natural resource-based products established at Punta del Este are met. Concessions made in other negotiations groups will be taken fully into account in assessing a participant's contribution. The Group reaffirmed that the principles of negotiations contained in the Punta del Este Declaration (Part I.B) apply to the negotiations in natural resource-based products.

The European Community said it was prepared to examine the possibility of negotiating problems concerning trade in all forms of energy products - on the understanding that work on this subject should take place only in this Group. Australia and the United States welcomed the EC decision to extend the product coverage of the negotiations. Peru and Chile stressed that, in their view, the Uruguay Round mandate and competence of the GATT circumscribed the procedures for the negotiations. Supporting this view, Mexico said that on product coverage, there was general agreement on only three areas: fisheries, forestry and non-ferrous metals and minerals.
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• GATT Articles
27-28 February 1 March

Switzerland submitted a new proposal aimed at improving the functioning of Article XXVIII. Noting that negotiating rights are concentrated on an ever-smaller number of contracting parties, it proposes that an additional consultation might be granted on the basis of a formula that takes account of the importance of the affected product for the exporter and the relative weight of its export sector.

Switzerland also addressed in its proposal the question of compensation in the context of products for which adequate import statistics are not available, and of tariff rate quotas.

Finally, Switzerland proposes the adoption of an interpretative note to Article XXVIII.3 explicitly authorizing contracting parties, where the parties have been unable to reach agreement on compensation, to take retaliatory action on a bilateral basis against the contracting party which initially withdrew its concession. Switzerland considers that the present system of retaliation erga omnes harms small trading partners and third parties that have nothing to do with the dispute, and places them at a disadvantage.

The European Community recalled that it had already, in two previous communications, indicated its support for a review of balance-of-payments Articles XII and XVIII:B. It was now proposing to clarify the criteria applying, under those provisions, to restrictive trade measures taken for balance-of-payments reasons, and to reinforce multilateral surveillance of those measures. The Community considered that countries invoicing balance-of-payments measures should give preference to uniformly applied price-based measures rather than quantitative restrictions. A more forward-looking rôle should be given to the Balance-of-Payments Committee, through the discussion of trade liberalization plans and the encouragement of consensual solutions. At the same time, it stressed that the facilities currently available to developing countries under Article XVIII:C for promoting domestic industry had been little used; it therefore proposed a relaxation of some of the criteria for the application of Article XVIII:C, notably as regards the application of countermeasures and tariff action, while ensuring proper multilateral surveillance. In doing so, the balance among the interests of all contracting parties would be maintained.

Japan presented a submission to improve Article XXIV on customs unions and free-trade areas. It was necessary to ensure that such arrangements truly contributed to expanding the liberalization and volume of world trade. It was equally necessary to minimize their adverse effects on non-members by setting up a new mechanism to redress any serious injury caused to the industry of a third country by the establishment or enlargement of regional arrangements through compensation and/or a liberalization of market access on an m.f.n. basis. GATT’s involvement in the form of a strengthened review mechanism should be increased; a clear interpretation of certain provisions of Article XXIV should be elaborated, in particular as regard the calculation of compensation and the general incidence of duties.

Japan moreover considered that it was very important to establish predictable, transparent, and objective rules of origin, and to make headway on this subject in the Negotiating Group on Non-Tariff Measures. International disciplines governing technical regulations and standards should be effectively applied to the member countries of regional arrangements. Japan also made the point that Article XXIV should not be automatically applied to regional arrangements if the General Agreement were expanded to new areas.

The European Community proposed that the contracting parties agree to apply a number of principles when granting waivers under Article XXV:5, such as a maximum time-limit, economic justification, and the phasing out of existing waivers. It also proposed to phase out over a short period the derogation in paragraph 1(b) of the protocol of provision Application and of Accession Protocols.

29-30 March

The Group discussed two draft decisions circulated by the Chairman under his own responsibility. They concerned Articles XVII and XXVIII respectively, and put forward several variants of amendments to the Articles. In the case of State-trading enterprises, governed by Article XVII, the draft defines them more clearly, states that all governmental measures, whether they concern private enterprises or State-trading enterprises, are covered by GATT disciplines, and enhances transparency so as to provide a better idea of the way in which such enterprises operate and the effects of their activities on international trade. In the case of Article XXVIII ("Modification of Schedules"), the amendments are aimed at broadening negotiating rights in the case of an increase in bound tariffs. The draft agreement suggests a number of criteria, taking into account the importance of the product or products in question for the supplier and not only for the importing country, as is the case at present. The draft also lays down the procedure to be followed by injured suppliers and proposes methods of calculating compensation. The discussion of these drafts clarified the areas of agreement and disagreement, and allowed some options to be ruled out.

The Group instructed its Chairman to prepare similar draft texts for waivers and protocols of provisional application.

The joint proposal by the United States and Canada and the proposal by the European Community, which call for a strengthening of disciplines on trade measures taken for balance-of-payment reasons, were further discussed. A large number of developing countries repeated that any amendment of Article XVIII:B was unjustified in their opinion, since its functioning had not given rise to any abuse, while the trading environment in which developing countries had to operate had in fact deteriorated. The United States specified how the existing situation would be altered if its proposal was accepted. There would be a larger number of in-depth consultations, greater certainty as to the criteria for judging whether or not balance-of-payments measures were justified, and greater clarity in the conclusions drawn by the Balance-of-Payments Committee. In the event of abuse, trading partners injured by such action would have possibilities of redress. The United States stressed that these changes did not constitute any kind of revolution, but rather a number of improvements in the operation of the rules, which reflected developments in ideas about which trade policies were most likely to promote development.

• Non-Tariff Measures
21 March

The Chairman noted that work on two subjects proposed for new multilateral rules - preshipment inspection (PSI) and rules of origin - has progressed to the point where the Group might start preparing common negotiating texts.

The European Community and Zaire both tabled draft legal texts on pre-shipment inspection. Emphasizing that PSI should not give rise to unnecessary trade obstacles, the EC proposed that certain cases should be exempted from PSI. It cited as examples low value shipments and prices resulting from open tendering procedures, commodities subject to wide or frequent price changes, shipments forming part of a turnkey contract, and instances where regular exporters have proven themselves to be
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trustworthy. It urged that efforts towards a PSI agreement be accompanied by adherence of GATT members to existing GATT agreements on customs valuation and import licensing. It stressed that GATT members should have the right to regulate PSI activities within their borders.

Zaire's proposal stressed that PSI was not a non-tariff barrier and could facilitate trade by deterring over-invoicing and under-invoicing, thereby minimizing opportunities for capital flight, fraud, discriminatory pricing, and evasion of tax and customs duty. However, it agreed that PSI programmes should not give rise to unnecessary delays, and that the principles of non-discrimination and transparency should be observed by the user countries. For their part, exporting countries should not hamper the operation of PSI programmes.

The Chairman proposed, and the Group agreed, to establish an informal drafting body which would draw up a draft text of a possible PSI agreement, which would be the basis of negotiations.

Participants had a second round of discussion on the EC proposal regarding rules of origin. The Community made clear it supported speedy work on the harmonization of various national rules of origin. The United States and Japan reiterated that the Group should aim, at the minimum, to establish, by the end of the Round, basic principles of a future agreement on rules of origin and initiate the necessary technical work in the Customs Cooperation Council. The Chairman said he would consult with participants on ways of establishing a common negotiating text on rules of origin.

The Chairman reported that, so far, eleven participants had submitted initial request lists under the negotiating arrangements agreed in February. These were: the European Community, Canada, Czechoslovakia, Hungary, Nigeria, Sri Lanka, Peru, Thailand, New Zealand and Indonesia. The following countries indicated they would be tabling their lists soon: Egypt, Pakistan, United States, Poland, Norway, Switzerland, Philippines, Mexico, Japan, Sweden, Morocco, Uruguay and Yugoslavia. Chile and Senegal indicated that the same request lists already presented by them in the Natural Resource-Based Products Group should be considered as having also been submitted in the Negotiating Group on Non-Tariff Measures.

• Trade-Related Investment Measures
29 March

The Group completed the first part of the work programme suggested by the Chairman at the January meeting by examining how developmental aspects can be integrated into the negotiations, and how adequately the GATT Articles ensure that the adverse trade effects of investment measures are avoided.

The Group was assisted in this work by the presentation of a communication sponsored by thirteen developing country participants. The communication stressed the need for the Group to address the trade effects of investment measures (not the measures themselves), the developmental aspects of investment measures, and the relationship of GATT Articles to the adverse trade effects of the measures. The communication concluded, among other things, that the negotiated outcome should facilitate a movement of investment across international frontiers, especially with a view to serving developmental aspirations of developing countries.

Many of the developing country participants supported the thrust of the communication. Among the views put forward were that adverse trade effects should be direct and significant to warrant consideration by the Group; that proposals to prohibit investment measures themselves were disproportionate to the magnitude of the problem such measures cause, and that existing GATT remedies in the event of nullification or impairment of benefits appeared sufficient to deal with alleged adverse effects of some of the investment measures cited in the Group so far.

Most of the developed country participants, while also welcoming the communication and agreeing on the need to take development considerations into account in the negotiations, reiterated their view that further provisions were necessary in order to avoid adverse trade effects.

• Dispute Settlement
5 April

Hong Kong, Hungary, Singapore and Switzerland submitted a paper on third-party rights which served primarily as a written record of the oral proposal Hong Kong made at the last meeting.

The representatives of the United States and the European Community individually raised various issues concerning, inter alia, the composition of panels selected from a roster of trade experts; a process for review of panel reports; mechanism to allow speedier adoption of panel reports and a timetable for implementation; compensation and retaliation provisions in the event that the losing party should fail to implement in a timely fashion.

The EC spokesman also stated that if one of the parties to the dispute felt that the panel's findings were erroneous or incomplete, it should have the option of taking its case to an appeals body comprising eminent experts and assisted by a small team independent from the GATT Secretariat.

Both the United States and the EC undertook to submit, before the next meeting in June of the Group, detailed proposals based on the preliminary suggestions made at this meeting.

• Agriculture
4 April

A new proposal, submitted by Canada and aimed at clarifying recourse to Article XI of the General Agreement, was presented to the Negotiating Group. Canada pointed out that difficulties had arisen in the implementation of Article XI:2(c)(i). That Article authorized a contracting party, under certain conditions, to apply import restrictions on agricultural or fishery products when such restrictions were necessary to the enforcement of governmental measures operating to restrict domestic production or marketing of similar or substitutable agricultural products. These difficulties had led GATT members to resort to exceptional arrangements or measures not provided for by the General Agreement. Canada suggested that the interpretative notes to this provision be amended on the grounds that a strengthening of the disciplines governing recourse to Article XI:2(c)(i) would foster liberalization and predictability of trade and thus be in line with the Punta del Este objectives.

Canada proposed that criteria should be set out for verifying the effectiveness of governmental measures to control supply, the scope of import restrictions and their implementation. In particular, the application of import restriction, and hence the level of quotas and any changes that could be made in them in line with developments in the supply situation, should reflect a reasonable and foreseeable balance between the interests of exporters and those of the country or sector concerned, and should guarantee a minimum level of access. Countries applying quantitative import restrictions should be subject to export disciplines for the same products.

Canada's proposal met with a variety of responses. Some viewed it as one of the measures that would help to restore order in trade in agricultural products on a realistic basis, while others expressed the fear that it would not foster greater liberalization of trade in such products, while yet others reserved their comments for a later stage. Many requests for further details were addressed to Canada, in particular concerning the link between the strengthening of Article XI and the Cairns Group's support for tariffication, i.e., the transformation into tariffs of all non-tariff barriers.
Honduras, El Salvador and Guatemala, signatory countries of the Central American Treaty of Economic Integration, said that while endorsing the overall lines of other participants' proposals concerning the granting of special and more favourable treatment for developing countries, they were requesting that the specific interests of certain Central American countries should also be taken into consideration. For them, agricultural exports consisted of a few traditional commodities. They therefore wished to be able to ensure the smooth development of their production together with diversification of their agricultural exports towards non-traditional products. They submitted to the Group a proposal spelling out the measures they wished to obtain from the negotiations, in particular compensation for the erosion, as a result of the negotiations, of the preferential access hitherto granted to their exports.

- Surveillance Body

**14 March**

**Under the standstill commitment, the Surveillance Body received a notification from Argentina regarding the European Community's programme of increased subsidy for the production of high-quality flint-maize.**

Under the early warning procedure, the European Community and Australia expressed concern at the new farm bill in the United States which was currently going through the legislative process and was likely to lead to a new Farm Act before the conclusion of the Uruguay Round. According to the EC, this could improve the negotiating position of the United States, as well as constitute a considerable threat to the standstill commitment by providing deficiency payments for a wider product coverage than was the case so far.

The US emphasized that since many provisions of the 1985 Farm Act were due to expire before the end of the Round, it was necessary to pass legislation now. He added that the Farm Bill proposals were a continuation of the 1985 Act that would not involve any new system of agricultural policies.

The representative of Australia also expressed concern at the possibility that the United States Export Enhancement Programme could be extended to meat sales to the Soviet Union, which was an important market for Australia's exports.

The representative of the United States referred to the European Community's regulatory approval process for biotechnology products. He said that the basis for authorizing products should be a thorough scientific appraisal against the three traditional criteria of safety, quality and efficacy. The EC was now considering whether a new biotechnology product known as BST should also be reviewed on the basis of social and economic implications. According to the United States, such a political criterion could set a very dangerous precedent and would be contrary to the standstill commitment.

Several delegations welcomed the rollback notification from Argentina, commending it on its liberalization efforts. The representative of Argentina stressed that these measures were part of an overall policy which aimed at adjusting and liberalizing the foreign trade sector.

- Services

**26 February - 2 March**

Formal sessions of the Group focused on statistics, the role of other international arrangements and disciplines and the "structure" of the framework.

Several participants considered that the current availability of statistics concerning trade in services was inadequate despite recent efforts at improvement. Some delegations felt that a lack of reliable statistics diminished their ability to negotiate effectively, in particular with respect to an exchange of concessions, the binding of concessions or the operation of a freeze. Others were concerned that inadequate statistics may be used as an excuse not to negotiate.

The Chairman of the GNS suggested the group consider whether a general provision in the framework agreement should deal with existing international arrangements and disciplines or whether they would be covered in sectoral negotiations and, if necessary, sectoral annotations. It was stated that complementarity between the provisions of the services framework agreement and existing sectoral arrangements and disciplines should be the objective. Some participants considered that the specific questions relating to existing arrangements and disciplines could best be answered when the sectoral coverage of the agreement was clear.

Much of the meeting (both formal and informal sessions) was concerned with the structure - that is, the nature of initial commitments and the mechanics of trade liberalization. A detailed proposal was presented by eleven developing country, members of the Latin American Economic System (SELA).

The SELA submission is a legal text containing a preamble and 34 articles. The framework would cover all traded services and be based on the principles of transparency, non-discrimination/unconditional most-favoured-nation treatment, progressive liberalization and the increasing participation of developing countries in international trade in services. It stresses the need to take account of development needs in a number of respects, for instance:

- the principle of relative reciprocity would apply, meaning that developing countries would not be expected to make market access contributions out-of-line with their individual development, trade and financial needs;

- individual developing countries would have flexibility for opening fewer sectors or liberalising fewer types of transactions;

- priority to be given to liberalization measures of particular interest to developing countries;

- developing countries to maintain the right to provide incentives to domestic service providers;

- access granted by developing countries may be subject to particular obligations aimed at promoting the supply capacity of their own service industries;

- provision of technical assistance and financial resources for the development of service sector infrastructure in developing countries;

- and special consideration for the least-developed countries;

The framework also emphasised the need for parties to have the right to regulate the provision of services domestically in order to implement national policy objectives. The new proposal was widely welcomed, particularly by other developing countries, and it was agreed that a detailed examination should take place at the following meeting.

**26-30 March**

The major subject of discussion in the formal sessions of the GNS was the promotion of developing countries' services sectors and services exports. Many participants took the opportunity to react in detail to the SELA draft framework agreement (see previous item above). Some developed countries commented that the approach seemed to envisage few commitments by developing countries. While the special needs of those countries were recognised it was suggested that largely excluding them from commitments under the agreement would not assist the development of vigorous and competitive service sectors in these countries. Some participants were also of the view that development objectives should be dealt with under the framework, in the form of preambular language or guidelines rather than the form of legal obligations to be undertaken only by industrial countries. Nevertheless, several developing countries re-emphasised the very special and disadvantaged situations in which their emerging service firms found themselves and the consequent need for positive measures to encourage domestic growth and export performance. They insisted, (Continued on page 12)
however, that there was no question of developing countries seeking a “free ride”.

A further discussion on definitional questions covered both establishment and movement of labour. Some participants considered that while the framework should cover cross-border movement of the service and cross border movement of consumers, cross border movement of factors of production should be limited both in terms of purpose and duration. Others considered that establishment must at least be negotiable, as the provision of services (involving, for instance, the transfer of technology) could be difficult if not impossible without establishment.

In the same context, it was suggested that movement of labour should be given the same emphasis in the framework as the movement of other factors of production. This view was countered by those who considered it futile to attempt to seek major changes in immigration laws in the context of a services agreement.

Discussion of the “structure” of the agreement was largely considered during informal sessions. While it was clear that some participants had evolved detailed and sophisticated approaches to issues like the nature of initial commitments, general obligations, sector-specific commitments, reservations, national schedules, sectoral annotations and the mechanics of liberalization, the Group was still some way from finding a consensus on these items. As an example of how a sectoral annotation might appear, the United States tabled a draft annex on the telecommunications sector. The purpose of the annex would be to oblige parties to provide access to public telecommunications transport networks.

Trade policy course for Eastern Europe

Switzerland announced at the April Council meeting it was ready to fund a GATT trade policy course for officials of Eastern Europe. It said the aim would be to assist the economic restructuring efforts by the countries in that region.

Poland, Hungary, Bulgaria and Romania welcomed the Swiss initiative. The European Community pointed out that trade reform in Eastern Europe would benefit all GATT members.

The GATT Director-General, Mr. Arthur Dunkel, thanked Switzerland for its offer. He stressed that the operation of the existing semi-annual courses for developing-country trade officials would not be affected by the special course.

First TPMR reports now on sale

Trade policy reviews of individual GATT members - an early result of the Uruguay Round - began in December 1989. The new review mechanism was widely welcomed as giving a unique insight into the trade-related policies and practices of governments. The first three reports went on sale in April 1990, covering:

- **Australia** (80 Swiss Francs);
- **Morocco** (50 Swiss Francs); and
- **United States** (80 Swiss Francs).

Each report contains comprehensive trade analyses prepared by the country under review and the GATT Secretariat, as well as a summary of discussions by member countries at the GATT Council meeting of December 1989. Associated with the country reviews is a report on the current international trading environment presented in the same Council meeting by GATT’s Director-General, Arthur Dunkel. This report, which examines general trends in trade performance and polices, is included free-of-charge with all orders.

World trade in beef

Tight supplies and growing demand are expected to sustain the two-year old recovery of the world beef market into 1990. Along with higher prices, declining feed costs should mean wider profit margins for beef exporters. Another positive factor is that trade liberalization in several Eastern European countries may significantly raise meat shipments to that region.

These are among the conclusions of the Uruguay Round. The annual report examines trends in production, consumption and trade of bovine meat, and summarises developments in trade of pigmeat, poultry meat and sheepmeat. Price: 25 Swiss Francs.

Civil Aircraft Agreement

The booklet on the Agreement on Trade in Civil Aircraft was recently updated to include the 1986 Protocol amending the Annex to the Agreement. The Annex lists the products covered by the GATT Code complete with both the CCCN and the new Harmonized System headings. Price: 10 Swiss Francs.

*URUGUAY ROUND*  
**Services**  
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