1. In pursuance to the understanding reached at the July 1990 meeting of the Trade Negotiations Committee, the Negotiating Group on Tariffs, the Negotiating Group on Non-Tariff Measures, the Negotiating Group on Natural Resource-Based Products and the Negotiating Group on Tropical Products held a joint meeting on 21 September 1990. The meeting was co-chaired by Ambassador L. Duthie (Australia) and Dato' Paul Leong Khee Seong (Malaysia) as the Chairmen responsible for the four Negotiating Groups.

2. Participants agreed to carry out a stock-taking of the situation in the negotiations within the ambit of the four Negotiating Groups, taking into account the objectives set by Ministers and the conclusions of the Chairman of the TNC at the July 1990 meeting (MTN.TNC/15, page 2).

3. As background information for this meeting the secretariat prepared a note containing a brief description of the status of work in the four Negotiating Groups as well as the overall situation of proposals, offers and requests made in these groups by participants in the Uruguay Round. This note was circulated as a document of the four Negotiating Groups (MTN.GNG/NG1/W/45, NG2/W/74, NG3/W/41, NG6/W/48).

4. The Chairman observed that holding such joint meetings should not prevent the continuation of meetings of the individual Negotiating Groups in order to deal with specific issues in accordance with their mandates. He also noted that under an across-the-board view of the proposals, offers and requests in the market-access negotiating groups a number of specific provisions of the Procedures for Negotiations adopted by the individual groups tended to converge. Thus, certain issues which were being considered in certain negotiating groups were of relevance to other market-access groups as well. In this respect he suggested that the following points be kept in mind in the negotiating process:

   (a) The Procedures for Negotiations adopted by the Negotiating Group on Tariffs (MTN.GNG/NG1/17) provide that concessions made in other negotiating groups will be taken fully into account in accessing a participant's contribution to tariff negotiations. A similar provision concerning taking into account market-access concessions made in other groups is contained in the Procedures for the Continuation of Negotiations on Tropical Products (MTN.GNG/NG6/20).
(b) The Negotiating Group on Non-Tariff Measures in its Procedures for the Conduct of Negotiations (MTN.GNG/NG2/15) has agreed that participants which have adopted liberalization measures will receive appropriate recognition for them. To that end, such participants should give details of the measures that they have adopted and the precise recognition that they are seeking. This question is also referred to in the Montreal Decision concerning tariffs. Another issue which is being considered in the Negotiating Group on Non-Tariff Measures that is of relevance to the work of other market-access groups is security of concessions i.e. ensuring that concessions to reduce or eliminate non-tariff measures are not subsequently modified or impaired. Three proposals had been made on this issue in the Negotiating Group on Non-Tariff Measures by Australia, Uruguay and the United States and were of relevance to the present joint meeting.

(c) The Procedures for Negotiations on Natural Resource-Based Products (MTN.GNG/NG3/16) specify that participants should notify the secretariat of proposals, offers or requests which they have made in other negotiating groups that they consider relevant to negotiations on NRBPs. Concessions made in other negotiating groups will be taken fully into account in assessing a participants contribution.

5. Many participants welcomed the initiative to convene a Joint Meeting of the Market-Access groups which provided the opportunity to carry out a stock-taking of the situation in all these areas of negotiations. Some participants believed that further work on market-access should proceed in such joint meetings rather than in meetings of the individual negotiating groups. This would rationalize work and help to form an overall perspective in market-access negotiations. Other participants felt that while such joint meetings were useful, work in individual negotiating groups should continue in accordance with their specific mandates.

6. Commenting upon the state of play in market-access negotiations several participants expressed dissatisfaction with the progress achieved so far. Some deplored the fact that it had not been possible to reach an agreement on negotiating modalities in particular on the use of a systematic approach such as a formula-cutting for tariffs. In the absence of such an agreement many participants had recourse to the traditional request and offer procedure which was one of the causes of the unsatisfactory progress. This procedure which had been advocated by developed countries represented a step backwards in comparison with previous Rounds; bilateral approaches tended to take precedence over multilateral ones. A further view supported by some participants was that Ministers in Montreal had provided clear guidance on the objectives sought in negotiations. Therefore participants should now focus on these objectives rather than continuing the debate on how to proceed in negotiations. Some participants also felt that there appeared to be a tendency to reduce the level of ambition set by Ministers for negotiations, a trend which should be reversed. Several participants
stressed the pressure of time and the need to intensify negotiations on the basis of joint efforts in order to maximize results.

7. Recalling the ambitious objectives set for market-access negotiations in Montreal one participant observed that the value of offers submitted on tariffs varied greatly. His offer as well as offers by other participants were based on a harmonizing approach which brought about a stronger decrease in higher duties than in lower duties. This fully corresponded to the MTR objectives. Other participants had unfortunately followed an autonomous approach. Many of their offers failed to meet the MTR objective of a substantial reduction or elimination of tariffs by all participants with a view to achieving lower and more uniform rates, including the reduction or elimination of higher tariffs, tariff peaks, tariff escalation and low tariffs. Some offers covered a very limited number of products and/or contained insufficient reductions or no reduction at all but only bindings at ceiling rates higher than the rates effectively applied or the base-rates for negotiations. In some cases this situation covered entire sectors such as textiles, leathers, footwear, glassware or even all consumer goods. Referring particularly to the exclusion in some proposals of textiles, the participant reiterated the view that the reintegration of the textile and clothing sector within the GATT implied a liberalization of access conditions in all markets. As regards the objective of a substantial increase in the scope of bindings, some offers were relatively important in terms of the proportion of tariffs covered but unsatisfactory in respect to the proposed level of bindings which should be at levels allowing for trade. His proposal on tariffs set the figure of 20 per cent as a maximum level for more advanced developing countries and 35 per cent for other developing countries with the exception of the least-developed countries whose possibilities to contribute in negotiations were minimal. The participant felt somewhat encouraged that several countries submitted revised offers containing improvements and hoped that many other developing countries would do the same. In regard to the proposals aimed at substantial reduction or elimination of tariffs in certain sectors or for some specific products, the participant emphasized that elimination of low tariffs could not be a substitute or an excuse for the maintenance of higher rates which effectively hampered trade. He saw some merit in considering a more extended liberalization of such categories of products as pharmaceuticals on the basis of a joint effort to be made by major producers and consumers. The participant also expressed deep concern at the absence of proposals from a number of developed and developing countries. He further observed that in order to achieve real improvements of market-access it was not sufficient to claim having made a mathematical reduction of 33 per cent as specified in the MTR Agreement on the basis of historically bound rates while excluding systematically higher rates and a number of non-tariff measures.

8. As regards non-tariff measures the participant was willing to prepare an offer on measures which had been subject to requests from trading partners. This offer would be conditional on similar offers to be made by others. So far the proposals were not satisfactory. In many cases they covered measures already removed. As regards coverage of sectors the
comments made on tariff proposals were valid for the non-tariff area as well. In respect to natural resource-based products the participant reiterated the view that measures affecting imports and exports should be negotiated in parallel. He was surprised that so far exporting countries had not taken advantage of his offer to negotiate tariff escalation against reduction of export measures such as export restrictions, export levies and dual pricing. Such negotiations could also include conversion of export measures into bound export duties. On fisheries the participant was willing to negotiate market access improvement against improved access to fishing areas. He also invited developing countries to specify priorities in their requests addressed on NRBPs. Turning to tropical products the participant recalled his proposal which was fully in line with the MTR Agreement as it went beyond what was foreseen in the tariff area. This proposal was conditional upon two elements: "burden-sharing" by developed and more advanced developing countries; a certain contribution by other exporting countries in particular the main beneficiaries of the proposal. Despite some encouraging moves from exporting countries those two requirements had not yet been met. As in other areas the participant was willing to continue negotiations and improve results.

9. Several participants stressed that unsatisfactory progress in market-access negotiations was due to the persistent uncertainty in the negotiations as to product coverage. The treatment for certain sectors or specific products such as agriculture, textiles, natural resource-based products and a number of tropical products was not yet clear since certain offers by developed countries excluded such sectors or products of particular interest to developing countries. Moreover there was a lack of predictability in market-access negotiations. This situation prevented them from anticipating possible benefits in negotiations. To this end breakthroughs in the areas of textiles and agriculture were particularly important. Some participants restated a willingness to participate actively in negotiations. In this connection they recalled the offers already made, the improvements made in their offers or announced the intention of making offers or further improvements. One participant announced that an offer on tropical products for the benefit of least-developed countries was seriously being considered by his authorities. The need to observe the deadline of 15 October for tabling offers was also emphasized.

10. Some participants pointed out that their countries were receiving significant requests from their developed trading partners, while offers by the latter did not adequately take into account interests and requests of developing countries. Some recalled that special and differential treatment was a principle applied in negotiations. Therefore it was only normal that offers be uneven as this reflected different levels of development of submitting countries. Some participants also restated their position that negotiations on NRBPs should deal with market-access only and not with access to supply.

11. Two participants recalled that they were the only contracting parties which had bound their entire tariffs. They expected developed countries
to do the same and not in regard to industrial products only. One participant pointed out that his offer contained tariff reductions made after September 1986 within the ambit of the Round and thus could not be considered as consisting of ceiling bindings only.

12. Several participants recalled the liberalizing measures undertaken by them after the commencement of the Uruguay Round as part of their structural adjustment programmes or in the framework of their domestic reforms towards open economies. These measures constituted contributions to the objectives of the Round. Yet they had not received credit and recognition in negotiations despite the provisions contained in the MTR Agreement on Tariffs and the Procedures for Negotiations in Non-Tariff Measures. Moreover trading partners seemed to show no interest in these measures although they constituted increased trading opportunities implemented in advance of the end of the multilateral negotiations. Such measures included significant decreases in tariff protection, greater reliance on tariffs, removal of non-tariff measures. In some cases this resulted in free trade treatment for the majority or even most imports. Receiving credit and recognition for them in particular in the form of improved market-access for exports was important for the pursuit of more liberal policies and of reform processes. Some participants emphasized that due to specific economic difficulties such as balance-of-payments and trade deficits as well as to the need to preserve a certain flexibility for facing unforeseen developments, they were not in a position to undertake binding commitments in regard to autonomous trade liberalization measures in particular in the non-tariff area. However they felt that all such autonomous measures should be given credit and recognition. To this end some participants suggested that appropriate criteria be established. One participant suggested that the secretariat prepare such criteria. Another participant invited other interested countries to join in preparing proposals on this issue.

13. One participant observed that more countries were actively engaged in market-access negotiations than in previous rounds. There was a meaningful participation from a number of contracting parties reflected in serious and pragmatic negotiating proposals. Intensive bilateral negotiations were underway. Responses to her country’s proposals on reciprocal elimination of tariff and non-tariff measures had been received and in a number of cases the responses were promising. She hoped that other participants would join in this effort. All these were encouraging signs. However, she was less optimistic in regard to the timing of negotiations. The process was so behind schedule that one could wonder whether it did not reflect a weakening of political will to finish negotiations and achieve their objectives. Negotiations should intensify without waiting for tabling of offers on 15 October. Her country was prepared to negotiate continuously up till 15 November with more than forty countries. She further referred to the view that some participants seemed to hold that serious negotiations could only take place in the last thirty days after the tabling of offers. That way of proceeding would be a prescription for disaster. Market-access negotiations take time and after their completion participants need to assess their results and prepare the documents for 23 November. Moreover economic indicators had
started to turn. Therefore negotiations should intensify as from now. It was not in the interest of participants to prolong the process of negotiations. It was imperative to intensify work now and not waste a minute of the time left available. This view was shared by some other participants.

14. Some participants said that they shared many of the points contained in the assessment reflected in paragraphs 7 and 8 in particular in regard to negotiations on tariffs. While acknowledging increased participation and improvements recently made in certain offers they felt that there was need for further contributions by developed and developing countries in order to achieve the MTR objectives. As regards the proposals for sectoral elimination of tariff and non-tariff measures they thought that there were limited possibilities for such action given the time constraints. In any case sectoral approaches should aim at achieving greater results than those contained in the Montreal targets.

15. One participant informed the meeting that his country had decided to submit its own proposal on mutual elimination of tariffs on some industrial products, mostly machinery products. The proposal which covered about 2,000 items at HS - 9 digit level would be distributed shortly. Referring further to the situation in market-access negotiations the participant expressed concern over the unsatisfactory progress made in all the four areas. As regards bilateral negotiations progress was uneven. Therefore negotiations should be accelerated in all areas and each participant should act with firm determination to meet the deadline of 15 October.

16. Some participants restated the importance attached by them to security of market-access concessions. They felt encouraged that this issue was being discussed in the Negotiating Group on Non-Tariff Measures. One participant expressed the intention of making his own contribution on this issue. Other participants stressed that in considering this issue the need to preserve the balance-of-rights and obligations under the GATT should be taken into account. Developing countries should enjoy the necessary flexibility in particular in regard to commitments on non-tariff measures.

17. Some participants recalled the provisions of the Punta del Este Declaration concerning the evaluation to be conducted by the GNG in order to ensure effective application of special and differential treatment. It was stressed that such evaluation should include the sectors of textiles and agriculture.

18. Some participants recalled the special attention that should be given in negotiations to problems of the least-developed countries and the proposals which had been put forward by these countries in the Round. They urged other participants to give careful consideration to these proposals in arriving at results in the final stage of the negotiations. Trading partners should not expect offers from LLDCs. The least-developed countries which had already liberalized their markets under structural adjustment programmes should be given credit for such measures. It was
also stressed that the implementation of the special provisions of the Punta del Este Declaration in favour of the least-developed countries should be part of the evaluation to be made by the GNG in regard to special and differential treatment.

19. Referring to the assessments of proposals on tariffs and tropical products made by the secretariat one participant suggested that similar analysis and review be undertaken in the areas of NRBPs and non-tariff measures. In regard to NRBPs the analysis could cover the three areas agreed upon. Where participants had included other areas in their offers, these could also be subject to assessment without prejudice to the positions of participants on the question of product coverage. The analysis on non-tariff measures could focus on areas, items and nature of improvements included in proposals again without any debate on the definition of non-tariff measures and their legality. Some other participants expressed doubts in regard to the utility of these analysis in particular given the little time left. Responding to the request of the Chairman for clarification on the feasibility of such an analysis a representative of the secretariat said that data already assembled could enable an assessment on NRBPs similar to that made on tropical products assuming that there was agreement on product coverage.

20. The Joint Meeting agreed that the secretariat prepare reviews and assessments of proposals on natural resource-based products similar to those that had been prepared for tropical products, and covering only the three agreed sectors, i.e., forestry, fisheries and non-ferrous metals and minerals.

21. In concluding the meeting the Chairman said that in his view participants had a useful exchange of views on the state of play in the negotiations on tariffs, non-tariff measures, natural resource-based products and tropical products. Many participants expressed dissatisfaction with and concern over the situation in market-access negotiations. The need for improving the quality of proposals was emphasized by a number of participants. He also noted the wide support for achieving the level of ambition set by Ministers. There was also broad agreement on the need for urgency in negotiations.

22. The Chairman also believed that a second joint meeting would be more effective if it attempted to make an assessment of the offers to be tabled by 15 October across the range of products covered by the four market-access Negotiating Groups. Such a meeting could follow the pattern of the informal review and assessment meetings which those participants who had submitted proposals or offers have held during the first half of this year. He therefore suggested that an informal Joint Meeting of participants which have tabled proposals or offers be held in the very early days of November at a date to be established by the Co-Chairmen in consultation with delegations and the secretariat. The Joint Meeting agreed with this suggestion.

23. In response to a question raised by one participant, the Chairman said that the meeting proposed would focus on the situation in the four market-access groups. However by the time of the meeting offers would
also have been tabled on textiles and clothing and on agriculture. Therefore participants at the Joint Meeting would be aware of the offers made in all sectors. Responding to a question addressed by another participant, the Chairman said that the Informal Joint Meeting would be open to participants which have submitted proposals in any of the four market-access groups.