COMMUNICATION FROM THE EUROPEAN COMMUNITIES

The following communication, dated 15 October 1990, has been received from the Permanent Delegation of the European Communities.

With reference to its submissions of 13 July 1989, 21 February and 22 March 1990, the Community hereby reiterates the conditions set out for the tariffs negotiations:

- widespread participation of trading partners;
- a co-ordinated approach linking tariff and non-tariff measures;
- a binding as a general rule of all tariffs in order to strengthen the multilateral trading system by reducing or eliminating imbalances in obligations;
- a substantial reduction of high tariffs, elimination of tariff peaks and the achievement of lower and more uniform rates of duty. In this context, the Community would take into account the development needs of individual developing and least-developed countries.

The Community would hereby like to reiterate its commitment to the achievement of the objectives set out at Punta del Este and confirmed at Montreal. To this end, the Community would be prepared to bind the tariffs of the industrial products of Chapters 25 to 97 of the Combined Customs Tariff (based on the Harmonized System) at the reduced rates resulting from the application of its formula. The reductions are indicated in the illustration submitted on 21 February 1990.
However, the Community would like to take this occasion to express disappointment at the contents of the tariff offers tabled so far by its trading partners. The Community considers the vast majority of offers to be insufficient, both in quantitative and qualitative terms. A substantial amount of offers submitted by trading partners would result in only minimal reductions or even totally exclude from reduction products subject to high tariffs and tariff peaks. An equally substantial amount of tariff offers proposes only a limited or even only a marginal increase in the degree of tariff bindings and in many cases without substantial duty reductions. Needless to say, the objectives of real and meaningful improvement in Market Access and a strengthening of the multilateral system, as expressed at Punta del Este and Montreal, would not be met.

The Community is submitting this offer in the expectation that the offers of its trading partners will be substantially improved, so as to ensure a fair degree of mutual advantages. To the extent that the real and necessary improvements are not forthcoming from its trading partners within the shortest delays, the Community will have no choice but to modify the concessions it is prepared to make.

As requested by certain trading partners, the Community is prepared to consider some improvements in its offer in certain specific sectors, provided that there is a sufficient degree of participation. However, this should not exonerate Parties from their commitments to reductions across the board, including high tariffs and tariff peaks, as laid down at Punta del Este and Montreal.