GNG NOTES PROGRESS IN THE URUGUAY ROUND NEGOTIATING GROUPS

During its meeting on the 14 April the Group of Negotiations in Goods (GNG) addressed itself to progress to date in the fourteen negotiating groups for which it is responsible. A generally favourable picture emerged with participants largely satisfied with the first nine weeks' work. It was noted that specific negotiating proposals had been received in some areas and others were expected shortly. However, it was agreed that the process should be accelerated. Many delegates expressed the hope that overall progress in the negotiating groups would permit early implementation of results. They considered that this was essential for the credibility of the Round as a whole.

Many participants in the GNG referred to the impact of current trade disputes on the international economic environment. Concern was expressed at national trade policy developments which appeared to run counter to the political commitments to 'stand still' and rollback. Some participants asserted that trade confrontations between the major industrial countries were damaging the trade round, the multilateral trading system and the trading interests of smaller and developing countries.

The schedule for the next series of negotiating group meetings is, currently, as follows:

MORE
1. Tariffs
2. Non-Tariff Measures
3. Natural Resource-Based Products
4. Textiles and Clothing
5. Agriculture
6. Tropical Products
7. GATT Articles
8. MTN Agreements and Arrangements
9. Safeguards
10. Subsidies and Countervailing measures
11. Trade-Related Aspects of Intellectual Property Rights including Trade in Counterfeit Goods
12. Trade-Related Investment Measures
13. Dispute Settlement
14. Functioning of the GATT System

The next meeting of the CNG will take place on Friday 26 June.

Negotiating group meeting taking place since the previous bulletin (NUR 002) were as follows:

**Trade Related Investment Measures ... 2 April**

Given the relatively little work done previously in this area, it has been accepted that the group's starting point will be submissions by participants treating the subject from the perspective of existing GATT Articles and their adequacy in covering trade restrictive or distorting effects of investment measures, and by identifying specific measures with trade-distorting or trade-restricting effects and looking at how, if at all, they are dealt with in the GATT. These submissions will be reviewed in subsequent meetings, and if inadequacies in the present GATT Articles are identified, it may be found necessary to negotiate additional provisions. Some participants in this meeting took the view that the group should not be too
ambitious in its work in the light of the subject's complexity and the relatively little information at present on which to base conclusions about the need for any possible extension of GATT rules. Some developing countries stressed that negotiations should not undermine the right of governments to control investment for justifiable domestic policy purposes.

**Dispute settlement ... 6 April**

Many participants considered that problems with GATT's disputes procedure frequently owed much to a lack of political will to ensure its effectiveness as well as to major differences over interpretation of certain GATT rules which can only be resolved in other negotiating groups. Nevertheless, there is agreement that improvements to the procedure could add to the reliability and speediness of the system. Suggestions were made for accelerating the establishment of panels, including their personnel and terms of reference; the imposition of time limits on the work of panels; and possible deviations from the usual consensus rule whereby panel reports are adopted in the Council. Some participants pointed to the disadvantage of smaller and developing countries which are unable to take retaliatory measures when major traders fail to implement panel recommendations. It was also suggested that there be continuing surveillance of compliance with adopted panel recommendations. A number of participants stressed the conciliatory character of the procedure and the idea that its main objective was to redress the contractual balance of rights and obligations between disputants in particular and among Contracting Parties in general.

**Functioning of the GATT system ... 7 April**

Some participants made a distinction between the functioning of the GATT as an institution and the operation of the system of rights and obligations embodied in the GATT. Some participants concluded that the Group could produce early results in the Round and others that the outcome would be heavily dependent upon progress or results in other negotiating groups. The question of increased ministerial involvement in the work of GATT was the subject of a written proposal by one delegation; while it was generally recognized that this could provide impetus and weight there were some doubts as to the value of regular or too-frequent ministerial meetings. While some participants saw a ministerial body modelled upon the Consultative Group of Eighteen as a possibility, others saw difficulties in limited representation. With regard to surveillance of national trade measures in the GATT, one participant put forward detailed proposals which would toughen up existing arrangements. These proposals were well received with several participants pointing to the value of surveillance as an early warning system and as a means of ensuring compliance with GATT obligations. Some initial views were also put forward on the so-called trade-finance link and on GATT's relationship with the World Bank and IMF.
Discussion on the role of statistics in the negotiation and on the work of individual participants and international institutions in collecting and refining statistics on trade in services, suggested that it would be many years before figures in the area could have the sophistication and credibility of those covering trade in goods. Views differed in the necessity of a reliable statistical data base for the negotiating process. The discussion on concepts on which principles and rules covering trade in services might be based included more detailed proposals than previously. Some participants listed 'mutual advantage', 'transparency', 'national treatment', 'increasing international competition' and 'progressive liberalization' among others, but emphasized that such concepts might be defined differently than those which apply in the goods area.

Economic growth and development promotion were considered by many participants to be the fundamental underlying objectives in the negotiations. Certain members of the Group felt that an illustrative list of obstacles to trade in services would be necessary in future stages of the negotiations and some participants explained their own work and ideas in this area. Some other members dealt with the role of national regulations in the services sector.

Note to Editors

Press bulletins on the Uruguay Round will be issued regularly and are intended as an indication of the subject areas under discussion rather than as detailed accounts of negotiating positions. Journalists seeking further background information are invited to contact the GATT Information Service.

These accounts of negotiating meetings should be read in conjunction with the text of the Punta del Este Ministerial Declaration (GATT/1396 - 25 September 1986) and the decisions taken on 28 January this year regarding the negotiating structure, the negotiating plans and the surveillance of standstill and rollback (GATT/1405 - 5 February 1987). Further copies of these documents are available from the GATT Information Service.