Before proposing adoption of the Ministerial Declaration on the Uruguay Round, the CHAIRMAN noted that the purpose of the Declaration was to launch multilateral trade negotiations on goods and services. This involved taking three decisions: the first would be to adopt, as the CONTRACTING PARTIES, Part I of the Declaration, relating to negotiations on trade in goods; the second would be to adopt Part II, on trade in services, as representatives of Governments meeting on the occasion of the Special Session of the CONTRACTING PARTIES at Punta del Este; thirdly, again as representatives of Governments meeting on the occasion of the Special Session of the CONTRACTING PARTIES at Punta del Este, to adopt the Declaration as a whole.

He then made the following specific points:

Representatives of certain governments had expressed concern regarding a number of problems relating, in particular, to commodities, natural resource-based products and tropical products. Those governments were concerned that solutions to their problems be found and implemented quickly. Specific proposals had been put forward by certain African governments in MIN(86)/W/18. While he was sure that this conference attached great importance to those concerns, it had not been possible to complete consideration of the proposals at the conference. It had, therefore, been agreed that the proposals would be considered by the Trade Negotiations Committee foreseen in the Declaration.
In order to participate fully in the negotiations, developing countries would require technical support. There was agreement that technical support by the Secretariat, adequately strengthened, should be available to developing countries participating in the negotiations.

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

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

- There had been a proposal to include, among the objectives of the negotiations, that of redressing growing disequilibria in world trade and of achieving, in the spirit of the Preamble to the General Agreement, a greater mutuality of interests.

- However, it had been represented that the foregoing proposal might lead to a trading system incompatible with the basic objectives and principles of GATT, the guarantor of the open and non-discriminatory trading system.

- Nevertheless, it was common ground that growing disequilibria in world trade constituted a serious problem and would need to be tackled by the countries concerned by various policy means including macro-economic policy, exchange rates, structural reform and trade policy.

- It was furthermore agreed that in the negotiations every contracting party should make genuine efforts to ensure mutual advantages and increased benefits to all participants, in accordance with the principles of the GATT.

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

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

He then clarified that it was understood that paragraph F(b) was interpreted as meaning that (a) all participants in the multilateral trade negotiations have the right to participate in all negotiations on all issues and that (b) non-contracting parties shall only be precluded from participation in decisions of contracting parties relating to the results of these negotiations.
The conference had noted requests by certain governments, not at present covered by the provisions in the Declaration on participation, to take part in the multilateral trade negotiations. The Director-General was authorized, upon request by such governments, to keep them informed of progress in the negotiations.

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

The Director-General drew attention to some errors in the draft text (MIN(86)/W/19) and said that the French and Spanish versions would be subject to technical corrections.

The CONTRACTING PARTIES adopted Part I of the Declaration.

Mr. Mansur Ahmad (Pakistan) said that with respect to the paragraph on textiles and clothing on page 5 of the Declaration, his delegation understood that the modalities to be formulated for the liberalization of trade in this sector would be pursued independently and would not be contingent on agreement on other subjects.

Mr. Lavagna (Argentina) stated his delegation's dissatisfaction with the text on agriculture on page 6 of the Declaration. He said that the insufficient political will shown by certain contracting parties to cooperate in establishing a clear mandate to deal with the serious situation prevailing in agricultural trade and to reverse protectionist trends, obliged his delegation to make a firm reservation to the text on agriculture. His delegation wanted to insist on inclusion of the following measures within the framework of the mandate for the new round of trade negotiations: (1) elimination, within an agreed timeframe, of export subsidies; (2) readjustment of developed countries' agricultural policies which had led to oversupplies and serious damage to efficient producers; (3) strict fulfilment of standstill and rollback commitments with respect to international trade in agriculture; and (4) redressing of national policies with the aim of correcting market imbalances and substantially reducing their negative effects on international trade. His delegation highlighted the importance of these measures as indispensable tools to achieve the liberalization of agricultural trade, and would pursue their adoption during the new round of trade negotiations.

Mr. Hugueney Filho (Brazil) said his country maintained that the question of investment fell outside the competence of the General Agreement. It was his delegation's understanding that the text on page 8 of the Declaration referring to "Trade-related investment measures" concerned only subject matter presently under the provisions of the General Agreement. Also, Brazil maintained that the competence for promoting the protection of intellectual property rights lay with the
World Intellectual Property Organization (WIPO). It was his delegation’s understanding that the text which had been adopted on "Trade-related aspects of intellectual property rights, including trade in counterfeit goods", did not affect that position.

Mr. Betancourt (Cuba) said his delegation shared the views just expressed by Brazil on the treatment of investment and intellectual property, and was not satisfied with the text on agriculture. Cuba wanted its position recorded, but in both cases did not make a formal reservation on the text which had been agreed by consensus. His delegation continued to insist on the need to expand participation in the negotiations and to extend it to all interested countries.

Miss Zanabria (Peru) said her delegation supported Brazil's statement and considered that neither investment nor intellectual property were within the province of GATT.

Mr. Chamorro (Nicaragua) expressed his delegation's full support for the statement by Brazil and also supported the statement by Cuba on participation.

Mr. Peri (Israel) stated his delegation's understanding that the section on Safeguards on pages 6-7 of the Declaration included a reference to other GATT Articles in addition to Article I.

Mr. Kumar (India) said that in the Declaration, the CONTRACTING PARTIES had agreed to a standstill and rollback of trade restrictive or distorting measures inconsistent with the provisions of GATT or with instruments negotiated within its framework or under its auspices. One of the main maladies of the international trading system was the large number of arrangements which circumvented the provisions of GATT or were not based on it. It was his delegation's understanding that the provisions in the Declaration relating to standstill and rollback, when they referred to trade restrictive or distorting measures inconsistent with the provisions of GATT or instruments negotiated within its framework or under its auspices, covered measures which circumvented GATT and which were not based on it.

Regarding safeguards, he said it had been agreed that a comprehensive agreement on this subject was of particular importance to strengthening the GATT system and to progress in the Multilateral Trade Negotiations, and that the agreement on Safeguards should be based on the basic principles of the General Agreement. The most fundamental principle of GATT was the one relating to non-discriminatory treatment. It was his delegation's understanding that in order to preserve and strengthen the multilateral trading system, it would be necessary for the agreement on safeguards, inter alia, to reaffirm adherence to the most-favoured-nation principle.
On textiles and clothing, he said that among the deviations from the principle of non-discriminatory treatment which had had the widest impact on the developing countries was the framework on international trade in textiles that had existed in GATT for more than two decades. It had just been agreed that negotiations in this area would aim to formulate modalities that would permit the integration of this sector into GATT, on the basis of strengthened GATT rules and disciplines. The biggest contribution that the new round could make to the objective of strengthening the multilateral trading system and further liberalizing trade was to achieve such integration within a short timeframe, so that no further extension of the Multifibre Arrangement (MFA)¹ would be made after July 1991. His delegation expected that during the negotiations, all efforts would be made towards achieving that objective.

On services, he said that Ministers would take certain decisions separately, and he reiterated India's position that the General Agreement did not cover services and could not be extended to cover this sector except through a plenipotentiary action. It was his delegation's understanding that no linkages with trade in goods would be allowed in the process of negotiation that might follow or in schemes that might emerge elsewhere.

Regarding the decision adopted on "Trade-related aspects of intellectual property rights," he said that the protection of these rights was not within the jurisdiction of the General Agreement. Implementation of the decision on that subject would, in his delegation's view, be confined to clarification and elaboration of the relevant GATT Articles, namely Articles XX and IX, which provided for avoidance of discriminatory restrictions and disguised barriers to trade arising out of measures relating to intellectual property protection.

With regard to the provision on "Trade-related investment measures", India understood that policies and régimes concerning investment were matters for sovereign determination by governments. The decision on investment could in no way circumscribe or impinge upon that right.

His delegation hoped that the CONTRACTING PARTIES would succeed in evolving a system of trade which was fair and equitable, which would contribute to the development of developing countries and which would fully protect the rights of weaker trading partners.

The CHAIRMAN then addressed participants as representatives of Governments meeting on the occasion of the Special Session of the CONTRACTING PARTIES at Punta del Este.

He stated that a number of the agreed points that he had read out before the adoption of Part I of the Declaration also applied to Part II.

The representatives of Governments meeting on the occasion of the Special Session of the CONTRACTING PARTIES at Punta del Este adopted Part II of the Declaration.

These representatives then adopted the Declaration as a whole as a single political undertaking launching the Uruguay Round.

Mr. de Clercq (European Communities) said that the starting gun for a new round of multilateral trade negotiations had at last been fired; under the Chairman's leadership, Ministers had achieved what they had come to do. Each had tempered its demands in the interest of the common good, and had demonstrated again the value of consensus in GATT. All had renewed their commitment to the open multilateral trading system, so vital for the Community and for its partners, big and small. The Uruguay Round was launched, and the Punta del Este Declaration would henceforth serve as the banner for the great mission ahead. No one should underestimate the size of this challenge. The objectives were ambitious. The negotiations would be tough and demanding, but they could and would be brought to a fruitful conclusion, and the Community could be counted on to play its part to the full. In GATT, genuine mutuality of advantages had always been, and had to remain, a primary aim. Benefits should be fairly shared. Unhappily, certain fundamental disequilibria persisted, and were undermining the health and well-being of the multilateral trading system. The Uruguay Round would need to put this right. During these negotiations, the Community would be assessing the progress made. The Community reaffirmed its commitment to differential and more favourable treatment for developing countries consistent with the level of their economic development. It would also continue to give special attention to the trade problems faced by the least developed countries. While the Community's fundamental common policies and mechanisms were not up for negotiation, agriculture would be fairly and squarely addressed in the Uruguay Round — in the Community's own interest, as well as in the interest of other contracting parties. Given the specific characteristics of this vital and sensitive sector, all aspects would be handled in the group specially appointed for that purpose. The Community would negotiate in that group in good faith, to secure genuine advance. In the Uruguay Round, the Community would be participating in its new configuration; the process which had led to its enlargement from 10 to 12 member States had entailed complex and lengthy negotiations. The Community upheld the outcome of those negotiations, which was now accomplished fact.

He said that the Community accepted the text on natural resource products in general, and was ready to aim at further liberalization in that sector. Regarding fisheries, however, the Community regretted that
the options which it had developed in the Working Party on Fish and Fisheries Products and had stated in that group’s report, were in no way reflected in the text. The Community therefore felt obliged to repeat what it had consistently stated in all fora where this issue had been discussed, namely, that it would pursue discussions in the fisheries sector only if all factors specific to this product and having an influence on trade in it were taken into account.

Mr. Field (Australia) said that the Declaration just adopted, providing the negotiating mandate for launching the Uruguay Round of trade negotiations, was an historic one, and a necessary and timely step by contracting parties to inject new vitality into the world trading system. Significantly, the negotiating mandate had broadened the coverage of the negotiations to include new areas and to improve important aspects of the existing trading system, particularly in agriculture. The negotiations at Punta del Este had been long and tough, but had reflected a generous spirit of compromise by all parties. All had shown recognition that the strains and challenges facing the trading system had to be faced urgently. For the first time, a comprehensive negotiating mandate had been adopted for agriculture. Australia was particularly pleased that for agriculture, the Declaration included coverage of all subsidies directly and indirectly affecting trade. This meant that not only export subsidies, but also all other measures significantly affecting the operation of international agricultural markets, would be within the scope of the negotiations. Participants in the negotiations would have the opportunity to negotiate improved market access, improvements in agricultural subsidy rules and improvements in the system through reductions in the causes of agricultural trade problems in the subsidies field. Australia believed that the mandate represented a serious commitment by all parties to negotiate wide-ranging improvements in agricultural trade, and was ready and willing to negotiate on all of those issues. Success in the negotiations would require strenuous efforts from all participants. Australia, in cooperation particularly with the other countries in the Fair-Traders Group of 14, would be working to see that those issues were dealt with as speedily as possible.

The text of the Ministerial Declaration was then derestricted.

The Director-General said that while approaching the end of this historic meeting at which the Uruguay Round had been launched, his thoughts had returned to the opening ceremony and in particular to President Sanguinetti’s address which had provided the participants with the inspiration they needed to succeed. For this, President Sanguinetti was owed profound thanks and gratitude. The Director-General also recalled his own remark at the beginning of the Session that whatever the results, it was clear that after Punta del Este the international scene would no longer be the same; he had made an appeal that all participants should work together to ensure that the change would be for the better. Now, at the conclusion of the meeting, he had great satisfaction, and
even a fair degree of pride, in the GATT system, most of all in its members. They had worked hard and now knew that the change would be vastly for the better. The negotiating process of the past week had been a challenge for all and particularly for the Chairman, whose persistence and firm guidance had led to success. It had been a privilege to work with Mr. Iglesias. Several participants had remarked in their statements that launching the Uruguay Round marked the end of one process and the start of another. This was true. However, he cautioned against any illusions that the difficult part of the work was over. The process that had now started - the negotiations themselves - was ambitious, complicated, and in many ways of a kind never before attempted. There were still some formidable challenges and a hard and long road ahead. The Secretariat was ready to meet that challenge. One central factor which would determine success in completing the tasks ahead was the spirit of mutual understanding and accommodation which would have to guide the negotiations just launched. This spirit had been much in evidence in Punta del Este, particularly in the last hours of work. Participants in GATT would need to preserve and build upon this spirit in the coming years so that the ambitions which they had set for themselves would be realized. It had been a privilege to have been in Punta del Este. He knew how much all the participants admired Uruguay and its people; the support received from the Uruguayan authorities had gone a long way to ensure ideal working conditions.

Many representatives then expressed appreciation and gratitude to President Sanguinetti, to Mr. Iglesias, to the Government and people of Uruguay, and to the Director-General and the Secretariat for their efforts in helping successfully to launch the Uruguay Round.

The CHAIRMAN said it had been a great honour for Uruguay to host such a difficult and complex conference, especially given that the meeting had been preceded by many months of inconclusive debate, accumulated texts and constant disagreements. The fact that the Uruguay Round had now been successfully launched was the result of the goodwill, understanding and spirit of compromise which had been shown by all the Ministers and participants. He also paid tribute to the Director-General, the Secretariat, the Uruguayan staff and the Press for the rôles they had played in making the conference successful. This was the first meeting of such a kind in a developing country, testifying to the maturity and recognition of the rôle played by those countries. It was also the first time in GATT's 40-year history that such a meeting had been called to deal with the shortcomings of the past and to lay the foundations for the world of the future. The participating countries had opted for constructive trade peace rather than for trade wars, in which all would have been losers. However, there were many different kinds of peace; for instance, there was the armed peace of recent years during which trade actions had departed from agreements, infringements had been more frequent than compliance with commitments, and disregard of principles had become a way of life. A different kind of peace
altogether had been inaugurated with the Uruguay Round. He was convinced that the achievements of this conference were many and that they outweighed the inevitable disappointments, and, furthermore, that the spirit of Punta del Este would continue during the negotiations themselves. He was gratified at the recognition that the discussions had been conducted in a cordial and transparent manner and that no delegation was leaving Uruguay as a loser. Every participant had won in the historic battle at Punta del Este, in which hope for a better world, and for a free-trade system with opportunities for all, had prevailed.

The Session closed at 2.45 p.m.