

# URUGUAY ROUND

## OF MULTILATERAL TRADE NEGOTIATIONS

NUR 001  
16 March 1987

### WORK OF THE NEGOTIATING GROUPS GETS UNDER WAY

Recent weeks have seen the first meetings of eight of the groups negotiating in areas outlined by Ministers in the Punta del Este declaration which launched the Uruguay Round. There have also been meetings of the services group and of the Surveillance Body which oversees the 'standstill' and 'rollback' commitments.

The negotiating group meetings have largely concentrated on general statements outlining starting positions together with consideration of practical activity necessary to move the negotiations forward in line with the plans agreed in late-January.

#### Tariffs... 10 February

The group looked at the approach to a tariff cutting exercise; for instance, whether it should be based on a request-and-offer procedure or on a mathematical formula affecting all products and sectors. The need for major reductions in or the elimination of particularly high tariffs was raised as was tariff escalation and the extension of tariff bindings. Among the practical matters discussed was the expansion and updating of the data base needed to carry out the negotiation and the relationship between the Harmonized System of customs nomenclature, to be introduced on 1 January 1988, and the tariff negotiations in the context of the Round.

#### Non-tariff Measures... 10 February

As required in its mandate, the group began an examination of the issues to be covered and the relationship between this negotiation and those in other areas - for instance, natural resource-based products and textiles and clothing. For some delegations there was an

important distinction to be made between negotiations in this group and the 'rollback' of measures which were not in conformity with the GATT. It was generally recognized that the negotiations in this area would require a substantial data base, relying partially on work done between 1983 and 1986 following the 1982 Ministerial Meeting.

#### Natural Resource Based Products... 11 February

It was generally recognized that work done by the Working Party on Trade in Certain Natural Resource Products, established in 1984, will form an important starting point for this negotiation. The Working Party covered non-ferrous metals and minerals; forestry products, and fish and fisheries products. The negotiating group discussed the coverage of the negotiation - both products and measures. It also looked at the relationship of its work to that in other groups whose efforts would impinge upon trade in natural resource based products; for instance, tariffs and non-tariff measures.

#### Textiles and Clothing ... 11 February

For certain textile exporting participants in the Round textiles is a key element of major economic significance, having long been subject to institutionalized restrictions outside the GATT. At the group's first meeting these countries made clear that the main focus would be to return the textiles sector to GATT rules. The group concentrated on the need to prepare up-to-date new background material on the current state of the textiles sector. In this respect, it was suggested that parts of the Secretariat study "Textiles and Clothing in the World Economy", first published in 1984, should be updated.

#### Agriculture... 16-18 February

In line with the first point in its negotiating programme the group devoted a large part of its first meeting to general statements concentrating on the identification of major problems affecting trade in agriculture and their causes. Some delegations chose to propose some initial approaches to remedying those problems. It was agreed that existing information on measures and policies affecting trade in agriculture should be updated urgently through national notifications.

#### Tropical Products... 26 February

This is an area in which extensive preparatory work for a negotiation had already been carried out in the GATT prior to the Punta del Este meeting. This fact, along with the special attention envisaged for tropical products in the Ministerial Declaration led many delegations, especially those from developing countries, to call for a particularly expeditious process in this area. It was agreed that work should go ahead on the updating of background information and the data base necessary for the negotiation. It was generally accepted that, initially at least, work will concentrate on tropical beverages; spices, flowers and plants; certain oilseeds, vegetable oil and oilcakes; tobacco, rice and tropical roots; tropical fruits and nuts; tropical wood and rubber and jute and hard fibres.

#### Review of GATT Articles... 3 March

The first meeting of this group gave delegations a chance to indicate which GATT Articles might be the subject of review and possible negotiation. Naturally, it was recognized that some Articles will be treated, at least in the first instance, in other negotiating groups (for instance, that on subsidies). Among the most frequently mentioned Articles were XXIV (rules relating to customs unions and free trade areas) and XXVIII (rules governing negotiations for the modification of tariff schedules). Article XVII (state trading enterprises) was mentioned by several delegations. Reviews of Articles XI, XII, XIII, XV, XVIII, XXI, XXV and the Protocol of Provisional Application were also proposed.

#### MTN Agreements and Arrangements... 6 March

Initial ideas on which of the Tokyo Round codes might be the subject of improvements were tabled. At the same time, certain more general questions were raised; for instance, whether or not non-signatories to the codes could participate in their renegotiation; the link between the work of this group and the activities of other groups which may affect Tokyo Round codes; and the relationship between negotiations in this Group and the existing commitments of the code committees to revise and improve their agreements.

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#### Negotiating Group on Services... 23-25 February

The first meeting of this group began with a wide ranging general debate. Some delegations took the opportunity to re-emphasize their understanding of the legal basis of the negotiation while others outlined some of their general objectives in seeking a framework of rules and disciplines for the services sector. Further debate focused on the elements agreed in the programme adopted at the end of January. Thus, there was discussion on definitional and statistical issues, on the concepts on which principles and rules might be based, on the coverage of the framework, and on measures or practices which contribute to or limit the expansion of trade in services.

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#### Surveillance Body... 26 February

The Surveillance Body, which is responsible, with the Trade Negotiations Committee, for overseeing the 'standstill' and 'rollback' commitments in the Punta del Este Declaration spent its first meeting considering several aspects of its working procedures. In particular, it discussed the nature and content of notifications on national measures; the relationship between the political commitments of concern to the Surveillance Body and matters taken to the legally-based GATT disputes procedure; and the possibility of surveillance body discussions on potential measures which have not passed national legislatures or not been implemented.

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.

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