

URUGUAY ROUND

OF MULTILATERAL TRADE NEGOTIATIONS

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NEGOTIATING GROUPS RESTART FOLLOWING THE MID-TERM REVIEW

The various negotiating groups quickly began to reconvene after the Trade Negotiations Committee at high-officials level completed the Montreal Mid-Term Review in early April (see NURs 026 and 027). The initial meetings in the second half of the Uruguay Round were generally devoted to reviewing the results achieved and considering procedures for future work, in the light of the Ministerial decisions.

In the Tropical Products group (21 April), participants in the Montreal trade-liberalization package - estimated to cover some US\$20 billion of trade - announced the early implementation dates of their respective contributions. The negotiated package involved mainly tariff cuts by the European Communities, the United States, Japan, Australia, Austria, Canada, Finland, New Zealand, Norway, Sweden, Switzerland, Brazil, Central American countries, Colombia, Malaysia, Mexico, Philippines and Thailand. Hungary and Czechoslovakia have submitted autonomous contributions. Most of the developed countries indicated they have either implemented their liberalization measures or intend to do so by mid-year. At the meeting, new contributions were received from Indonesia and Poland.

The Functioning of the GATT System group (1 May) established a technical group to prepare for adoption by 30 June the draft format for country reports under the newly-established trade policy review mechanism. Participants in the Dispute Settlement group (12 May) resumed work on the remaining issues, and agreed that at its next meeting in July the discussion would concentrate on the implementation of panel reports, compensation procedures, and non-violation complaints.

The Mid-Term Review decisions called for substantive negotiations to begin in some groups by mid-year. In the Textiles and Clothing group (20 April), several participants indicated they will be submitting new proposals which would move the negotiations forward at the next meeting in July. In the Safeguards group (26-27 April), the Chairman said that in accordance with the Ministerial decision delegations should present proposals by the end of May and that he would be circulating a draft text of a comprehensive agreement in June. This would ensure the start of substantive negotiations in July. In the Tariffs group (9 May), reports by many participants indicated important progress was being made in preparing the data base for the negotiations which would begin in July.

There were calls for the submission of more proposals in many groups, including the Trade-Related Investment Measures group (8-9 May) where there was a first discussion of an analysis by the United States of the adverse trade effects of certain investment measures and how these effects are treated in the General Agreement. In the GATT Articles group (1-2 May), an exchange of views, based partly on new background documentation, further clarified the issues on Articles XVII (state-trading enterprises) and XXV:5 (granting of waivers). In the Subsidies and Countervailing Measures group (27 April), the need for specific proposals was underlined on the various issues outlined in Montreal for a framework that would improve GATT disciplines in this area.

The Trade Related Aspects of Intellectual Property Rights group (11-12 May) agreed on holding two meetings in July to discuss individual negotiating issues defined in the TNC decision. The first one will focus on the applicability of the basic principles of the GATT and other relevant international agreements, enforcement, and trade in counterfeit goods. The second meeting will look at the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights. In the Natural Resource-Based Products group (19 April), it was noted that the Montreal decision called for participants to submit to the extent possible trade and barrier data before the end of June.

The negotiating group on Agriculture (18 May) also considered procedural questions. The following meeting on 5-12 July will concentrate on certain of the issues identified in the work programme for the long-term agreed in the Mid-Term Review, namely:

- the terms and use of an aggregate measurement of supports;
- strengthened and more operationally effective GATT rules and disciplines;
- tariffication, decoupled income support and other ways to adapt support and protection; and
- ways to take account of possible negative effects of the reform process on the net food-importing developing countries.

Modalities for special and differential treatment of developing countries would be considered, as appropriate, under each item of the work

programme. While discussion of the long-term continues, the short-term commitments agreed at the Mid-Term Review will be kept before the group and discussed as necessary.

In the group on MTN Agreements and Arrangements (18 May) participants agreed that future meetings should be of longer duration so that the Anti-Dumping Code, the Code on Technical Barriers to Trade and the Code on Import Licensing could be covered on each occasion.

In the Non-Tariff Measures group (19 May), participants discussed three subjects for which multilateral rules had been proposed: export restrictions, preshipment inspection and rules of origin. Australia introduced a proposal emphasizing the advantages of a formula approach in dealing with non-tariff measures, in particular those set in terms of price support and quantity.

The Surveillance Body (17 May) received two notifications on possible violation of the standstill commitment: by Argentina on the increase in US subsidies for agricultural products; and by Australia on the imposition of higher Swedish levies on sheepmeat. Several delegations expressed concern about the possible harm to the multilateral trade system which might be caused by the implementation of the so-called "super Section 301" of the US trade act.

The Group of Negotiations on Services (18-20 April) agreed, after an initial discussion on a sectoral reference list prepared by the Secretariat, to devote the next three meetings to the examination of the implications and applicability of concepts, principles and rules for particular sectors and specific transactions called for in the Montreal decision. Matters relating to definition will also be discussed as will the concepts, principles and rules - most notably transparency and progressive liberalization, the indicative lists of sectors of interest to particular participants and tabled for the meeting will also be on the agenda. In June, the Group will be "testing" the telecommunications and construction sectors; in July, transportation and tourism; and in September, professional services and financial services including insurance.

Note to Editors

1. Press bulletins on the Uruguay Round are 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 and Media Relations Division.

2. 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), the decisions taken on 28 January 1987 regarding the negotiating structure, the negotiating plans and the surveillance of standstill and rollback (GATT/1405 - 5 February 1987) and the TNC Mid-Term Review decisions (NUR 027 - 24 April 1989). Further copies of these documents are available from the GATT Information and Media Relations Division.

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