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DUNKEL EMPHASIZES NEGOTIATORS' SUCCESS IN MEETING
AMBITIOUS URUGUAY ROUND OBJECTIVES

"Keys to a conclusion are held in a very few hands"

Draft agreements already on the table from the Uruguay Round negotiations are "relevant, precise, balanced and urgently-needed answers to some of the biggest economic challenges of the day. They are results from which every trading nation will gain." Remarkable progress in meeting the objectives set out by Ministers in the Punta del Este Declaration, in 1986, is emphasized by Arthur Dunkel, Director-General of GATT, in his introduction to GATT Activities 1991, published today.¹

Drawing a contrast with the frequent experience in international negotiations, where initial objectives are "steadily whittled away to

¹GATT Activities 1991 is available in English and will shortly be available in French and Spanish. It can be obtained from the GATT Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21, or through booksellers. In the United Kingdom, orders should be placed with HMSO, P.O. Box 276, London SW8 5DT, and in the United States with UNIPUB, 4611-F Assembly Drive, Lanham, MD 20706-4391. Price SwF 20.

produce 'diplomatic' but impractical solutions to difficult and complex problems", Mr. Dunkel says that ambitions in the Round have risen with time, not fallen. To prove the point, he sets some of the 28 specific agreements in the Draft Final Act against the original terms of the Declaration.

Starting with market access where negotiations have yet to be concluded, Mr. Dunkel says, "We know enough right now to be confident that a final agreement on market access is possible which would be of immense help to traders."

He continues, "We expect, for instance, to be able to reach the goal of an average one-third reduction in tariffs; many high tariff peaks will be substantially reduced; and some very important sectors will end up with zero tariffs. Alongside tariff reductions there will be a dismantling of many non-tariff measures. Of particular interest to developing countries will be further concessions to help them market their tropical products - including in processed or semi-processed forms - more successfully. And some easing of trade difficulties associated with products based on natural resources should also be part of the deal."

Mr. Dunkel goes on, "A second objective was to integrate the textiles and clothing sector into a strengthened GATT after many decades as an exception to normal GATT disciplines. The agreement on textiles and clothing in the Draft Final Act will do just that, integrating the sector over a period of 10 years as the Multifibre Arrangement is slowly phased out."

The negotiating objectives on agriculture sought "more discipline and predictability" in world farm trade through: improved market access; the promotion of undistorted competition in world markets through increased disciplines on direct and indirect subsidies; and minimizing the adverse trade effects of sanitary and phytosanitary regulations. Mr. Dunkel says, "The reform package now on the table does all these things in a balanced, orderly and gradual manner and has been widely accepted."

MORE

"The Ministers sought to tackle more than agricultural subsidies, of course. Those affecting industrial goods were, and remain, a distorting element in world trade, while the "countervailing" measures sometimes used to offset them have often been the object of charges of abuse. The Draft Final Act contains, as required by the Punta del Este Declaration, new GATT disciplines on subsidies and countervailing measures which will help remedy these problems."

Mr. Dunkel recalls that, "The Declaration also called for a "comprehensive agreement on safeguards". Such an agreement gives governments the possibility of taking emergency action against imports, inside GATT, while avoiding the use of discriminatory, bilateral arrangements which, in the past 20 years, have been so costly to industry and consumers alike. This agreement now exists in the Draft Final Act."

Many other parts of the Uruguay Round were also about "rule-making". Indeed, large sections of the General Agreement - most of which is unchanged since the 1940s - have been reviewed and, as appropriate, made subject to negotiation. Mr. Dunkel says that, "Some of these changes, while technical and un-reported in the press, will be of great significance to those involved in the day-to-day experience of trading. The same could be said of the negotiations undertaken to improve, clarify or expand the agreements on non-tariff measures reached in the Tokyo Round. These have resulted in new rules on anti-dumping customs valuation, technical barriers to trade and others. The negotiations have also led to an agreement which for the first time makes clear which trade-distorting investment measures should be forbidden."

"The Ministers outlined a number of objectives to improve the institution of the GATT. In meeting these objectives, negotiators have worked out a tougher, more streamlined, dispute-settlement procedure - part of which is already in operation following the Mid-Term Review decisions in 1988. They have established new surveillance activities in GATT, including a national trade policy review mechanism which, also, is already operating

to good effect. They have gone further still and produced a blueprint for a new institution which will be the vehicle for implementing all the results of the Uruguay Round and will provide the forum for future multilateral trade negotiations."

Mr. Dunkel notes that, "The Punta del Este Declaration envisaged the possibility of new rules and disciplines covering trade-related aspects of intellectual property rights in general, and trade in counterfeit goods in particular. In the event, negotiators have produced what is probably the most comprehensive intellectual property agreement ever - covering new standards of intellectual property rights; national enforcement measures; and an international dispute-settlement system."

Finally, Ministers agreed that a separate negotiation should take place to establish principles and rules for trade in services, an important, growing sector not covered by multilateral disciplines. Mr. Dunkel comments, "Once again, it would be difficult to argue that the negotiators have not done their jobs. The General Agreement on Trade in Services now exists within the Draft Final Act - so too do certain associated sectoral agreements. The early efforts to negotiate an initial package of national commitments in the services area have resulted in offers from 50 governments."

"In short," concludes Mr. Dunkel, "this has not been a Round in which initial objectives have been steadily whittled away to produce 'diplomatic', but impractical, solutions to difficult and complex problems. Quite the contrary; ambitions have risen with time, not fallen. The results we have already secured are relevant, precise, balanced and urgently-needed answers to some of the biggest economic challenges of the day. They are results from which every trading nation will gain. The keys to a final conclusion are held in a very few hands. It is now up to them to provide the momentum for us to finalize the multilateral negotiations."

MORE

GATT Activities 1991 reports on every aspect of GATT's work during 1991 and in the early part of 1992. It covers the many disputes brought to the GATT for resolution, the work on new accessions, the Tokyo Round Committees and activity related specifically to the developing countries. It describes the work in each of the seven negotiating groups in the Uruguay Round during 1991 and outlines the resulting proposals put forward in the draft Final Act. It also looks at general trends in international trade performance and policies.

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