

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED  
MTN.GNG/2  
26 November 1986  
Special Distribution

Group of Negotiations on Goods (GATT)

GROUP OF NEGOTIATIONS ON GOODS

Second meeting: 7 and 12 November 1986

Agenda Item I: Organization of Work

1. Under this item the Group discussed the mechanism for surveillance of the commitments to standstill and rollback; the establishment of negotiating groups; and requests for observer status by international organizations.

2. For the purposes of the discussion of the surveillance mechanism and the establishment of negotiating groups, the GNG had before it two documents circulated by Jamaica: MTN.GNG/W/2 on the structure for the programme of work of the Group and MTN.GNG/W/3 on surveillance of standstill and rollback. At the conclusion of the discussion the Group agreed as follows:

I. Mechanism for Surveillance of Standstill and Rollback

1. The Group of Negotiations on Goods will meet on 18 November 1986 at 10 am, and as necessary thereafter to fulfil its mandate regarding the designation of the mechanism for surveillance of the commitments to standstill and rollback, with a view to a decision, as a matter of priority, by the Trade Negotiations Committee not later than 16 December 1986.

II. Elaboration of Detailed Trade Negotiating Plans

2. It is agreed that for each of the subjects for negotiation referred to in Section D of the Ministerial Declaration a negotiating group will be established except where the GNG agrees to combine more than one subject in one negotiating group. It is recognised that the negotiating structure will evolve during the negotiations and that flexibility must be maintained in order to facilitate negotiations. It is noted that the Group of Negotiations on Goods may decide in due course upon the inclusion of additional subject matters in the negotiations. In this context, it will give due consideration to the relevant parts of the statement made by the Chairman prior to the adoption of the Ministerial Declaration in Punta del Este.

3. At present it is agreed that for the purpose of preparing proposals for the detailed trade negotiating plans on subjects mentioned in Sections D and E of the Ministerial Declaration, the following groups will meet on the dates indicated below. It is

understood that this grouping of subjects is provisional. The GNG will establish the first set of negotiating groups not later than 16 December 1986. It is also understood that the detailed negotiating plans would cover, inter alia, a provisional calendar and timetable for the principal stages of the negotiating process in each subject area, focussing in particular on the initial stages. It is further understood that the principal stages can include, inter alia, the identification of matters that could fall within each subject area; the preparation of an adequate factual basis for the negotiations; agreement on the procedures and techniques for the negotiations; tabling of specific texts or offers and negotiations on the basis of such texts or offers; and finally the achievement of a result acceptable to the participants. In drawing up such plans, appropriate inputs may be made by the GATT secretariat.

- Tuesday 18 November 3 pm - Measures related to market access, such as Tariffs, Non-Tariff Measures including QRs, Textiles and Clothing and Natural Resource Products;
- Wednesday 19 November 10 am - Tropical Products;  
3 pm - Agriculture;
- Thursday 20 November 10 am - GATT Articles and MTN Agreements and Arrangements;  
3 pm - Safeguards;
- Friday 28 November 10 am - Subsidies and Countervailing Measures;  
3 pm - Dispute Settlement;
- Monday 1 December 10 am - Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods;  
3 pm - Trade-Related Investment Measures;
- Tuesday 2 December 10 am - Functioning of the GATT System.

4. The Director-General will chair the meetings scheduled in paragraph 3 above.

5. In pursuance of its functions under Section G of the Declaration, the GNG will meet on Friday 5 December at 10 am and on Tuesday 16 December at 10 am.

6. It is recommended that the Trade Negotiations Committee should meet on Tuesday 16 December at 3 pm to consider a report from the GNG and to decide on the appropriate mechanisms to carry out the surveillance of standstill and rollback, including periodic reviews and evaluations."

3. During the discussion of the surveillance mechanism the point was made by many delegations that since the standstill and rollback commitment had been in force since 20 September, a fully effective surveillance mechanism should be established as quickly as possible. If this were not done prior to the establishment of negotiating groups, it should at least be done simultaneously. There was agreement that the standstill and rollback commitments were of fundamental importance and that effective surveillance would be vital. Several speakers emphasized that there could be no question of GATT concessions in exchange for measures taken in fulfilment of the rollback commitment.

4. The point was made that although legal obligations under GATT would provide a necessary benchmark for the assessment of the implementation of the standstill and rollback commitments, the assessment would be essentially political and should not be confused with the normal operation of GATT dispute settlement procedures. Some speakers underlined the importance they attached to the ability of the surveillance mechanism, when established, to carry out the periodic reviews and evaluations called for by the Ministerial Declaration. Others envisaged that these functions would be carried out by the Group of Negotiations on Goods or by the Trade Negotiations Committee.

5. Some speakers said that the surveillance mechanism should be open to all interested participants, while others saw merit in the idea of a body of limited membership.

6. In discussion of the negotiating groups which it would be the responsibility of the GNG to establish as required, many delegations emphasized the need to maintain flexibility in the negotiating structure. With reference to the first sentence of paragraph 2 of the decision set out above, a number of delegations expressed their understanding that while this sentence established the principle that a separate negotiating group could be established for each of the subjects mentioned in section D of the Ministerial Declaration, it did not constitute a commitment that a separate group would necessarily be created on all of these subjects. With regard to the subject of textiles and clothing, however, many delegations expressed the view that while it might not be necessary to create a separate negotiating group at this time, it would certainly be necessary to do so at an appropriate stage. It was suggested that this should be done well in advance of the time at which it would become necessary to consider the extension, modification or discontinuance of the Multifibre Arrangement.

7. Different views were expressed as to the desirability of dealing with section E of the Ministerial Declaration - on the functioning of the GATT system - in a negotiating group or, at least at the outset, in the GNG itself.

8. In relation to the detailed trade negotiating plans which the GNG should elaborate and put into effect prior to 19 December, a number of delegations made the point that these plans, which would in effect be outline work programmes for the negotiators and which must be based firmly on the Ministerial Declaration, should nevertheless retain flexibility: they should be dynamic rather than static.

9. With reference to the statement made by the Chairman prior to the adoption of the Ministerial Declaration at Punta del Este, several speakers drew attention to the importance of some of the specific issues he had mentioned, while recognizing that the statement naturally had a different status from that of the Ministerial Declaration itself.

10. Requests for observer status by international organizations. This question was also discussed under agenda item I. The Chairman informed the Group that a number of organizations had indicated their wish to follow the negotiations as observers; among these, written requests had been received from the IMF, UNCTAD, the World Bank, WIPO and SELA (the Latin American Economic System). WIPO's request referred specifically to activities in the field of intellectual property. In discussion the suggestion was made that a distinction might be drawn between organizations which, by virtue of their very wide interests in GATT's activities, might appropriately have observer status in negotiating groups and bodies in general and those organizations with more restricted sectoral or geographical coverage which were likely to be interested in specific areas of the negotiations. It was also suggested that decisions on observer status should take into account the competence of the organizations in question for trade matters and the degree to which their attendance could be expected to be helpful in the negotiations. It was agreed that the secretariat would prepare a short factual note, on the implications of observer status and on the participation of observers in the Tokyo Round, for discussion by the GNG at a future meeting.

Agenda Item II: Date of Next Meeting

11. For the dates of future GNG meetings see the agreement set out above (paragraphs 1 and 5).

Agenda Item III: Other Business

12. The representative of Mexico introduced document MTN.GNG/W/1, dated 27 October 1986, which had been circulated to the GNG at Mexico's request. The representative of the United States said that since this communication concerned a specific situation having to do with the standstill commitment, it would be out of order for it to be discussed in the GNG. Any such discussion would prejudice the decision which had still to be taken on the location of responsibility for the surveillance function. For the same reason it was regrettable, notwithstanding Mexico's request, that the secretariat had circulated the document in the GNG series. After a short discussion the Group noted that the communication from Mexico would be taken up by the surveillance mechanism as soon as it was created.

13. The Chairman reminded the Group that a decision had still to be taken on the question raised by Jamaica whether further action should be taken to bring the results of the Punta del Este meeting to the attention of governments of countries applying the GATT de facto and of other developing country non-contracting parties. He noted that more than 150 countries had received the Ministerial Declaration and the Chairman's statement accompanying it.