

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/9
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Special Distribution

Group of Negotiations on Goods (GATT)

GROUP OF NEGOTIATIONS ON GOODS

Eighth Meeting: 12 October 1987

1. The Group of Negotiations on Goods met on 12 October 1987 under the Chairmanship of the Director-General. The Group had on its agenda: (i) a review of progress in the negotiations under Part I of the Ministerial Declaration; (ii) other business, including the date of the next meeting.

Review of progress in the negotiations under Part I of the Ministerial Declaration

2. Delegations expressed the view that in general satisfactory progress was being made in the Negotiating Groups and the contributions that the Chairmen of the Groups and the secretariat had made to this work were recognised. A number of delegations observed that the momentum of activity in the Groups must be maintained in order to ensure the timely completion of the Initial Phases of the Negotiating Plans and a smooth transition to the Subsequent Negotiating Processes.

3. Some concern was expressed that issues arising in the Negotiating Group on Tropical Products might make it difficult to complete the Initial Phase in time and that work in the Negotiating Group on Textiles did not match the pace of the negotiations as a whole. It was suggested, however, that the speed of work would be likely to vary among Negotiating Groups at different times, and that the Negotiating Plans themselves recognised that more work would be required in the Initial Phase in some Negotiating Groups than in others. Certain delegations noted that a good number of proposals had been submitted to the various Negotiating Groups, but it was suggested that more proposals from developing countries would be particularly welcome.

4. Several references were made to the difficulty of current world economic conditions and the inadequate levels of economic growth, and to the consequent increases in protectionist pressures on governments. Particular reference was made to the debt burden facing many developing countries and it was noted that the Ministerial Declaration launching the Uruguay Round made explicit mention of the debt issue, thereby recognising that a positive outcome to the trade negotiations could contribute to reducing the debt burden. The Uruguay Round represented a multilateral endeavour, and it was a shared responsibility of all participants in the negotiations to ensure such an outcome. More generally, it was widely held that the Uruguay Round could make an important contribution to solving current economic

difficulties. At the same time the Round was an enterprise in its own right, which should not be held hostage to changes in economic conditions. In this connection, a number of delegations referred to the rôle that the standstill and rollback commitments could and should play in the efforts of governments to resist domestic protectionist pressures. It was also suggested that a serious evaluation of progress in the Uruguay Round must be conducted on two levels - not merely in terms of the work of the Negotiating Groups, but also in the light of what the economic and trade situation might now be if the Round was not underway. The Round provided a perspective in which current problems and issues could be understood, and also an opportunity to take appropriate action.

5. In summing up the discussion, the Chairman noted the remarks that had been made about the economic context in which the negotiations were proceeding, including the observation that the progress of the negotiations should not be disrupted by external events; this consideration had been a major reason for the agreement by Ministers to adopt the standstill and rollback commitments. The link between trade and monetary matters in the Uruguay Round Declaration, which had been referred to by a number of delegations in relation to the debt situation, was also important in the overall context in which the negotiations were taking place. He noted that positive comments had been made about the progress of work in the Negotiating Groups, although this may not apply equally to all Groups. It was necessary to bear in mind that much work remained to be done and there was therefore no room for complacency. Finally, he expressed satisfaction at the references made by several delegations to the fact that the negotiations were a multilateral undertaking and should remain so.

Other business including the date of the next meeting

6. The Chairman proposed that the suggested calendar of meetings of Negotiating Groups up to 18 December, which had been circulated in the meeting, be approved. He said that if any major problem arose regarding the scheduling of meetings after 12 November, a further meeting of the GNG may be necessary. As Chairman of the GNG, he would conduct consultations as appropriate on modifications, if any, and in these consultations would make every effort to reduce the overlapping of meetings wherever possible. The calendar was approved.

7. The Chairman proposed that the next meeting of the GNG be held on 16 December 1987, bearing in mind that it may be necessary to hold an earlier meeting of the GNG if major problems arose regarding the schedule of meetings of the Negotiating Groups. The Group agreed to the Chairman's proposal.