

**NEGOCIATIONS COMMERCIALES
MULTILATERALES
NEGOCIATIONS D'URUGUAY**

RESTRICTED

MTN.GNG/RM/1

24 June 1991

Special Distribution

Groupe de négociation sur les marchandises (GATT)

Negotiating Group on Rule Making and
Trade Related Investment Measures

MEETING OF 10-12 JUNE 1991

Note by the Secretariat

1. The Negotiating Group on Rule Making and Trade Related Investment Measures held its first meeting on 10-12 June 1991 under the chairmanship of Ambassador Mr. G. Maciel (Brazil). The Group discussed in particular the question of organization and the programme of its future work (GATT/AIR/3193, paragraph 2).

2. The Chairman recalled that this Negotiating Group had been established on 25 April 1991 by the Group of Negotiations on Goods to conduct further negotiations in the areas of rule making and trade-related investment measures. In this context, the term "rule making" encompassed: subsidies and countervailing measures, anti-dumping, safeguard measures, preshipment inspection, rules of origin, technical barriers to trade, import licensing procedures, customs valuation, government procurement and a number of specific GATT articles. On preshipment inspection, rules of origin, customs valuation and government procurement texts had been agreed on an ad referendum basis. With respect to import licensing, the text appearing in MTN.TNC/W/35/Rev.1 had been agreed ad referendum but one delegation had made a reservation that a working party be established for the development of rules on export licensing procedures; more recently, this delegation had expressed the wish that this matter already be addressed within the framework of the Uruguay Round. On technical barriers to trade there remained a few questions to be resolved. Texts agreed ad referendum existed with respect to Articles II:1(b), XVII and XXVIII of the General Agreement; a text had also been prepared on Article XXIV which was, however, still subject to certain reservations. Regarding the text appearing in MTN.TNC/W/35/Rev.1 on Article XXXV of the General Agreement, some delegations had expressed the wish to further study its implications. Finally, decisions needed to be taken with respect to the dates to be inserted into the texts appearing in MTN.TNC/W/35/Rev.1 on Article XXV of the General Agreement and paragraph 1(b) of the Protocol of Provisional Application of the General Agreement. The Chairman noted that, as requested during the consultations held in March, the secretariat had circulated texts on preshipment inspection, rules of origin, safeguard measures and anti-dumping (documents MTN.GNG/RM/W/1, 2, 3 and 4).

3. Following informal consultations with delegations regarding the modalities of the organization and programme of the future work of the Group, the Chairman said that it appeared that there was a generally shared view that among the subjects to be addressed by the Negotiating Group there were five subjects which required further attention at this stage: subsidies and countervailing measures, anti-dumping, trade-related investment measures, balance-of-payments measures and safeguard measures. To attempt to fix an order of priority among these five subjects would not be productive. There also appeared to be a perception that it might be difficult to engage in intensive substantive negotiations on these subjects in July. Nevertheless, if one assumed that the process of negotiations in the Uruguay Round as a whole would accelerate after the summer break, it was essential for the Negotiating Group to use its meeting scheduled to take place in July to prepare itself for intensive work after the summer.

4. The Chairman then proposed that during its next meeting the Negotiating Group evaluate the state of play and prospects in the discussions on subsidies and countervailing measures, anti-dumping, trade-related investment measures and balance of payments measures. He noted that there was a generally shared view that the Negotiating Group could postpone further consideration of the issue of safeguard measures to a later stage. This exercise would serve primarily to help delegations and the Chairman to get a better understanding of the essential difficulties in each of the four above-mentioned areas and of the views of delegations on how these difficulties could be resolved. It was not his intention to re-open a debate allowing delegations to simply revert to their well-known proposals; neither did he feel that much purpose would be served by a very detailed and technical discussion on these four subjects. He expected, rather, a serious intellectual effort from participants to assess the present state of play in the negotiations and to outline their views and suggestions on how the remaining differences could be bridged. If during the course of this process of evaluation it appeared that progress might already at this time be possible on some issues, the Group could, of course, address such issues in greater detail. The Chairman said that this evaluation would be conducted in formal meetings of the Group but also in informal consultations. Any results of such informal consultations would be referred to formal meetings of the Group so as to ensure that there would be full transparency of the negotiating process. He informed the Negotiating Group that he had requested Mr. R. Ramsauer to assist him by consulting delegations in the period before the next meeting of the Group on outstanding difficulties, in particular in the areas of anti-dumping and subsidies and countervailing measures.

5. Several participants said that, while they understood the reasons for the distinction between a stock-taking exercise in July and the acceleration of negotiations expected after the summer break, it was nevertheless essential that the major political decisions be taken sooner rather than later in order to enable the Negotiating Group to make progress in this key area of the Uruguay Round.

6. The Negotiating Group took note of the statements made and agreed to proceed at its next meeting in the manner proposed by the Chairman.

7. The Chairman then drew the Group's attention to a procedural question regarding the draft text on preshipment inspection (MTN.GNG/RM/W/1). Article 4 of this text provided for the establishment of an independent review mechanism. A common proposal on the implementation of this mechanism had been made by the International Chamber of Commerce (ICC) and the International Federation of Inspection Agencies (IFIA). He pointed out that it would be useful if the secretariat could in the near future receive comments from delegations on this proposal and suggested that the secretariat circulate this proposal¹ and that delegations submit their comments by 10 July 1991. In the course of the next meeting, he would consult with delegations as to the best way to proceed in the Group's contacts with the ICC and IFIA.

8. The Group agreed to proceed in this matter in the manner suggested by the Chairman.

9. The Chairman concluded the meeting by saying that the next meeting of the Negotiating Group would take place on 22-26 July 1991. This meeting would start on Monday, 22 July, at 3 p.m.

¹See document MTN.GNG/RM/W/5.