

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Group of Negotiations on Services

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COMMUNICATION FROM THE CHAIRMAN OF THE  
GROUP OF NEGOTIATIONS ON SERVICES  
TO THE CHAIRMAN OF THE TRADE NEGOTIATIONS COMMITTEE

As requested by the Chairman of the Trade Negotiations Committee, the attached letter has been sent by the Chairman of the Group of Negotiations on Services (GNS) setting out the present situation in the GNS and stating how the negotiations might be significantly advanced between now and the end of July.

Dear Mr. Dunkel,

As you requested, I am setting out below the present situation in the Group of Negotiations on Services and stating how the negotiations might be significantly advanced between now and the end of July. This assessment is in accordance with my concluding remarks at the last meeting of the Group.

Negotiations on trade in services are proceeding on the basis of a draft text sent to Ministers in Brussels and on the assumption that they should be concluded by the end of 1991. This objective requires completing negotiations on three elements: the text of the "General Agreement on Trade in Services", sectoral annexes and initial commitments.

The time remaining for negotiations can be divided into two major parts, from now until the end of July, and from September till the end of 1991. This letter addresses the first period.

There is a general view among participating countries that to conclude the negotiations by the end of 1991 the following issues need to be advanced, and wherever possible resolved, by the end of July 1991:

1. The scheduling of specific commitments.

Informal consultations are continuing on the basis of a secretariat paper setting forth options for different approaches. Settling matters relating to the scheduling of commitments is essential for an intensive exchange of offers and requests and the completion of negotiations on initial commitments.

2. The application of the MFN provision in the Agreement. It is important to resolve outstanding matters relating to MFN and agree on an approach that meets concerns of individual participants without resorting to widespread derogations from this important principle. Matters relating to both horizontal arrangements (e.g. bilateral investment

Mr. A. Dunkel  
Chairman of the  
Trade Negotiations Committee

treaties and friendship commerce and navigation treaties) and techniques for dealing with sectoral considerations need to be addressed. The secretariat will prepare a paper on horizontal agreements once information requested of delegations is provided.

3. Labour mobility. The text of a proposed labour mobility annex has not been agreed. Resolving labour mobility issues is particularly important for the process of negotiations on initial commitments.

4. Guidelines for negotiations on initial commitments. There are draft texts for substantive and procedural guidelines. An agreement on these texts would facilitate the intensification of the negotiations on initial commitments.

5. Sectoral annexes. There is a need to address, prior to 31 July, any special arrangements that need to be put in place for those sectors for which participants consider annexes are needed. Such sectors include telecommunications and financial services.

6. Negotiations on initial commitments. While the discussion on offers is underway, participants have yet to engage in intensive and structured negotiations within the GNS. Those negotiations should begin in July.

At the request of the GNS, the secretariat is making available notes on dispute settlement, definition of terms and the evaluation of offers and concessions. These notes will serve to advance discussions within the GNS. Also, the final version of the classification list of services will be made available by the secretariat by the end of June. In addition, work will proceed on other issues with a view to completing Parts I to IV of the Agreement before the end of July.

I would be thankful if you could circulate this letter to participants.

Yours sincerely,

Felipe Jaramillo  
Chairman of the Negotiating  
Group on Services