

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

**RESTRICTED**

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Group of Negotiations on Goods (GATT)  
**Negotiating Group on Market Access**

**MEETING OF 30 OCTOBER 1991**

**Note by the Secretariat**

1. The fourth meeting of the Negotiating Group on Market Access was convened by GATT/AIR/3256 of 23 October 1991 and chaired by Mr. G. Denis. The Group adopted the following agenda:

- (a) Stock-taking of the market access negotiations;
- (b) Approach to give credit for bindings and recognition for autonomous liberalization measures;
- (c) Other matters;
- (d) Arrangements for future meetings.

2. The **Chairman** proposed that under the agenda item "Other matters", the Group should discuss how to deal with the market access issues in the document to be prepared by the Chairman of the Trade Negotiations Committee on overall agreements in the negotiations.

**Stock-taking of the market access negotiations**

3. The **Chairman** stated that since the last meeting of the Group, two participants had submitted revised tariff and tropical product offers. He also reported on the consultations that had been carried out on areas identified as having impeded progress in the market access negotiations. The question of product coverage had not however, been addressed as this matter was linked to decisions in the other negotiating groups. In the non-tariff measures area, participants were focusing on product-specific measures which were not being dealt with in other negotiating groups. A number of these measures had been subject to formal requests by some thirty-one participants, and many had effectively been removed in the context of autonomous liberalization measures. The various request lists were being reviewed and adjusted accordingly by participants. Also, as part of the consultations, developing country exporters of tropical products had provided information to the secretariat concerning their priority interests in terms of commodities, barriers and markets. The **Chairman** urged the offer-making countries to renew efforts to conclude the tropical product negotiations successfully, particularly in the areas of vegetable oils, wood products, flowers, bananas and beverages. It was also

evident that the results reached in the Agriculture Group would have some bearing on the tropical product negotiations. With respect to sectoral negotiations, some eighteen sectors, including natural resource-based products, were being discussed plurilaterally with country participation varying from sector to sector. These initiatives aimed for either total tariff elimination or tariff harmonization at reduced rates depending on the sector. A number of participants had stressed the need to decide on the sectors which seemed to have sufficient participation, so that the respective tariff offers could be firmed up. However, countries that had made proposals felt it premature to arrive at such conclusions, particularly since these issues were also being actively pursued in their bilateral market access negotiations. It had also been understood that the results reached in these discussions would be applied on an m.f.n. basis. The issues of high tariffs, tariff peaks and low duties were being addressed both in a bilateral and a plurilateral context. With regard to the question of credit for bindings, it was felt that some practical guidelines for assessing the adequacy of the scope and levels of tariff bindings by developing countries needed to be elaborated.

4. Many developing country participants stressed the importance of achieving a balanced package of results in the market access negotiations. Several participants informed the Group that their authorities had been engaged in a number of bilateral and plurilateral consultations. While a few participants reported modest progress, most of them expressed frustration at the lack of progress in the negotiations. It had been hoped that the substantial contributions made by developing countries in the new areas of the Uruguay Round such as services would be compensated for by a well-balanced market access package; this was not the case at this stage. Products of interest to their countries continued to be excluded from tariff offers. One participant stressed that the overall Uruguay Round package of results would not be satisfactory for her country, if bananas were kept out of the negotiations. It was also stated that the question of high tariffs, tariff peaks and tariff escalation had not been adequately addressed. Requests submitted in the non-tariff measures area had not been answered and consequently real access to markets remained blocked. Offers on tropical products and natural resource-based products, areas of great importance to developing countries, were either minimal or non-existent. In addition, contributions made by developing countries had not been seen in the light of the special and differential treatment provisions contained in the Punta del Este Declaration and the Montreal document. It was also pointed out that by offering to bind tariffs across-the-board some developing countries had for the first time used the formula approach in a Round of trade talks, thereby showing their commitment to the multilateral system.

5. Many reasons were given for the insufficient progress in the negotiations including the absence of an agreed multilateral formula approach. The lack of clarity with respect to the scope or coverage of the negotiations, the conditionalities attached to the offers and the linkages between the various negotiating groups had also slowed down the negotiating

process. In addition, the divergence in the positions of the major trading partners had prevented other participants from submitting improved offers. The uncertainty surrounding the issues of credit for bindings and recognition for autonomous liberalization measures had not been conducive to agreed solutions. The sectoral initiatives were also seen by some developing country delegations as complicating the negotiations; products of interest to their countries, such as fish and fish products, had been excluded from such talks. Concern was expressed at the lack of transparency in the negotiations. Information on the state of play in the different plurilateral discussions should be regularly provided to delegations, and sufficient time should also be accorded to allow for the assessment of the final results of the negotiations.

6. The importance of arriving at a substantial market access package was stressed by a number of developed country participants. One participant said that his country had held active consultations and that considerable progress had been made with some major trading partners. He called attention to the fact that the results achieved on a bilateral basis, would be implemented multilaterally and that a number of countries would benefit from concessions paid for by others. Many others stated that they had pursued bilateral and plurilateral discussions, but could not report any concrete results, due mainly to the lack of precise negotiating modalities. Concerns were voiced at the lack of line-by-line negotiations, the limited nature of the offers and the reluctance of some developing country delegations to engage in bilateral talks. A number of outstanding issues in the non-tariff measures area, although now more clearly identified, still needed to be settled.

7. Reference was made to the concept of tariffication and to the question of how to apply liberalization of those tariffied elements through the preservation of current access and new minimum access. It was mentioned that some of the requests on non-tariff measures could be negotiated and solutions found without necessarily postponing the discussions. The point was also made that autonomous liberalization measures should be bound so as to ensure a certain predictability to the trading system.

8. Regarding future work many participants expressed their willingness to improve offers but said that further contributions would only be made if major trading partners showed more flexibility. One participant said that negotiations were being conducted by his country in the framework of its renegotiation of its terms of accession to GATT, and that the schedule of concessions to be established would constitute his country's contribution in the market access area. Another participant reported that his country had decided to submit tariff offers on agricultural products to individual trading partners in order to facilitate the bilateral process.

9. It was pointed out that a number of guidelines were needed to increase the efficiency of these negotiations and that commitments should be made to improve and firm up offers and eliminate exceptions to the fullest extent possible, so that the Montreal objectives would be fulfilled; reduce high

tariffs and tariff peaks and reduce them by a greater percentage than that used to reduce low tariffs; bind substantially all tariffs at a meaningful rate. Agreement should be reached on those product areas where more substantial results could be achieved in addition to the objectives set in Montreal. A time-table should be established for the submission of revised, less conditional offers, in order to ensure the necessary transparency. It was also suggested that a multilateral approach in the form of a harmonization formula be used to supplement the present approach. The usefulness of undertaking an auction type exercise was mentioned.

10. In summing up the discussions, the Chairman said that although messages of great concern and frustration had been expressed by some participants he could note a sense of commitment and determination to move the process forward. Although market access negotiations were in a deal-making phase, it was not yet possible to detect the kind of concrete progress which would create the necessary momentum and the basis for successfully concluding a substantial and balanced trade liberalization package of results.

#### Approach to give credit for bindings and recognition for autonomous liberalization measures

11. The Chairman reported that informal consultations had taken place on possible guidelines to accord credit for tariff bindings by developing countries. However, no consensus had been reached on the matter. He indicated his intention to continue discussions with a view to reaching some understanding. He drew the attention of the Group to the revised "List of Liberalization Measures" dated 30 October 1991 prepared by the secretariat which took account of new notifications. The Group agreed to circulate this document as part of the MTN.GNG/MA/W/ series.

12. Several participants reported on autonomous liberalization measures undertaken by their governments in the context of either their domestic reform programs or their accession to the GATT. One participant stated that the frustration expressed by many developing country participants stemmed partially from the fact that recognition for such dramatic liberalization measures had been negligible. Referring to the note by the secretariat entitled "List of Liberalization Measures", he observed that most of the countries mentioned in the document were developing countries. Another participant recalled that a paper, sponsored by a number of countries and submitted in 1990, had given ideas on how to transpose the concept of recognition into operational terms. Unfortunately reactions had been minimal, and no further ideas had been forwarded nor had discussions been undertaken on this issue.

#### Other matters

13. As concerns the overall document to be prepared by the Chairman of the Trade Negotiations Committee, most delegations felt that the lack of clarity regarding the product coverage and the absence of a credible

working hypothesis were factors that precluded, at this stage, the inclusion of any results on market access in this document. However, one participant said his delegation would find it objectionable if the market access part of the document was a void and suggested that a text which demonstrated political commitment be incorporated. Another participant said that a consensus would have to be reached on a certain number of issues such as the scope of the negotiations and the rules concerning the application of clearly established commitments. Such an agreement would provide the framework within which the Group could work during the final stages of the negotiations. According to one participant this document could give a serious indication of the follow-up work that remained to be done in the market access area.

14. The Chairman said that at this stage he was not in a position to make any proposals, since it was not yet known what the Chairman of the Trade Negotiations Committee would decide to do in the light of all the reports he would receive from the seven different negotiating groups.

#### Arrangements for future meetings

15. The Chairman pointed out that the future activities of the Group would have to take account of developments in the other areas of the Uruguay Round. Major political breakthroughs in the market access area would be needed and, to this end, the Negotiating Group on Market Access would have to be prepared to convene at any time on short notice. Moreover, a plan had to be established for all delegations to engage, during the last two weeks of November, in a major global push to substantively complete their tariff and non-tariff barrier negotiations at the highest possible level, on the understanding that all sectors of the negotiations and particularly other areas of market access negotiations have reached that stage as well. In the meantime, significant and real progress needed to be achieved in bilateral negotiations. He added that he would continue arranging regular consultations on the major obstacles in the negotiating process.