

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Meeting on 13 January 1992

Opening statement and concluding remarks by the Chairman

Opening statement

1. When preparing for this meeting, I could not but think back to the days of the Punta del Este Ministerial Meeting when the Uruguay Round was launched. In doing so, what I find most impressive is the fact that, during these five years, all participants in these negotiations have made major, and sometimes totally unexpected, adjustments in their positions to bring us to the very high level of consensus which supports the Draft Final Act, MTN.TNC/W/FA, now before us.

2. We are now, very clearly, in the concluding phase of the Round. Therefore, our efforts today and in the weeks following have to be well coordinated and directed towards the sole objective of bringing the Uruguay Round to a successful and quick conclusion. I assume we are all in agreement here. More so because my contacts with representatives in Geneva and in capitals during the Christmas and New Year break have left me with the clear impression that all participants are ready to carry the negotiating process forward constructively and expeditiously, and work intensively in the coming weeks in a result-oriented manner.

3. In this context - and before I give you the floor - allow me to share with you my own thoughts on the purpose of today's meeting.

4. To begin with, let me say what this meeting is not intended to be:

(a) It is not the occasion for governments participating in the Uruguay Round to accept or reject the results of the Round. Before this stage is reached, a number of essential steps must be taken. I described the work which still remains to be done quite clearly in my statement to this Committee on 20 December. This work is also outlined in the cover-note to the Draft Final Act. I will come back to this in a minute.

(b) This meeting is also not a negotiating meeting. You should not, therefore, spend your time enumerating detailed lists of all kinds of specific concerns related to this or that paragraph of this or that agreement in the Draft Final Act.

As Chairman, I would consider this counter-productive. For one, if this were to happen, we would be sitting here for days with each of the 108 participants bringing his own shopping list!!! But, even more importantly, this would inevitably result in an uncontrollable unravelling of the "package" I presented in December in keeping with the working procedure agreed by you, and, consequently, the conclusion that an expeditious end to the Uruguay Round is ruled out.

5. These remarks bring me to the real question - what then, is our intention today? You will recall that I had indicated this at our last meeting on 20 December when I said that our aim, today, is to conclude the intensive consultations which Dr. Gros Espiell, Chairman of the Committee at Ministerial level, had asked me to carry forward at the end of the Brussels Ministerial meeting on 7 December 1990.

6. The implication is, therefore, clear: today is when, individually and collectively, governments must either agree to push the negotiating process forward so as to conclude the Uruguay Round in the weeks ahead or admit that the stage we had reached last December does not offer the basis for an early conclusion.

7. As I said earlier, all the signals I have so far received lead me to believe that governments prefer the first option. If so, this TNC Session will be expected to approve a work plan for the period that lies ahead. I have some concrete proposals to make in this regard. But before I come to these, I would, once again, ask you to go over my TNC statement of last December. In particular, I would stress three points:

One, the presentation of a complete and consolidated document bringing together the results of five years of effort was announced. This text has been with your governments since 20 December in the document MTN.TNC/W/FA.

Let me remind you that in presenting it I had said that it sought to strike the best possible balance across-the-board of the long negotiating agenda of this Round. This is still true.

Let me also remind you that this document is, foremost, the result of intensive negotiations. In fact the major part of the texts are the result of protracted negotiation in the well-established tradition of "give and take". On some outstanding points, where arbitration and conciliation appeared unavoidable, the text is based on informed and conscientious decisions that I and my colleagues, the Chairmen of the former negotiating groups, had no alternative but to take.

Here again, to the best of my knowledge, the situation has not changed today. I have no new - or better - solutions to offer on my own.

Two: I had stated that our work from January onwards will be based on a global approach; and

Three: I had reminded you that being a single undertaking in accordance with the Punta del Este Declaration, our negotiations are governed by the principle that nothing is final until everything is agreed.

8. It is in this context that I now come to my proposals on how to organize the work that still needs to be done. And, as each of you are surely aware, there is still a lot to accomplish. I would propose, therefore, that we all get down to serious work simultaneously and immediately on a four-track approach:

Track one: Intensive, non-stop bilateral, plurilateral and multilateral negotiations on market access. An enormous effort is required here by all participants to ensure substantial and overall meaningful results. On this will depend final agreement to the Final Act. As you are aware the Market Access Group is the only group still in existence under the GNG. It is charged with the specific task of concluding the Market Access negotiations expeditiously. As I informed the TNC in December, I include in the area of market access the negotiations on specific commitments on internal support and export competition in agriculture. The Chairman, Mr. Germain Denis, is in Geneva to overview these negotiations. His intention will be to put maximum pressure on delegations and not leave the process to only bilateral efforts. What we envisage is a series of rounds with continuous multilateral monitoring to ensure that the process is going in the right direction. Needless to say, all the facilities of the GATT Secretariat will be available for this purpose.

Track two: Intensive non-stop negotiations, again with continuous multilateral monitoring, on initial commitments in services under the GNS which, as you know, also remains in place. Substantial and meaningful results for all parties in this area are also necessary for final agreement by parties to the total package.

Track three: Work to ensure the legal conformity and internal consistency of the agreements constituting the Final Act. As I said in December this process is important and unavoidable though it should not lead to changes in the balance of rights and obligations established in the agreements. And, finally,

Track four: Work at the level of the Trade Negotiations Committee with a view to examining whether and if it is possible to adjust the package in certain specific places.

I hesitate to even mention this fourth track to you for fear of creating misunderstandings. So let me make myself as clear as I can at this stage. This exercise must be very precise and concentrated entirely on what we all can collectively agree to without unravelling the package. This exercise must also be conducted rapidly in a low-key and professional manner in full consciousness of the very limited time available to us. I

have said earlier, and I would wish to repeat this now, the Draft Final Act presented to you in December is the expression of the most informed and conscientious evaluation of the level of consensus achievable after a one-year extension of the deadline for finalizing this Round. I consider it my duty, however, to be ready to serve as "honest broker" in the resolution of outstanding differences should this be considered necessary.

9. If you agree with this work plan, I would expect this meeting to be brief and your interventions to be of a general and political nature rather than devoted to all kinds of specific points.

10. Finally, the Trade Negotiations Committee should approve the negotiating strategy I have just outlined and thus enable us to resume work immediately in a business-like manner.

11. I need hardly say that this Committee remains on call to meet periodically to review progress in our work and to take such decisions as may be necessary for the future of this Round.

Concluding remarks

1. First of all, let me, in the name of the chairmen of the former negotiating groups, in the name of the Secretariat and in my own name, thank you for the bouquets. I will particularly remember to distribute the flowers among my colleagues in the Secretariat from the printing and translation units to the operational divisions. As to the thorns. I shall keep them for myself. I think the intensity of today's debate has established, once again, the importance that all participants attach to the Uruguay Round. However, it is not enough to merely attach importance to a process. Many of you have underlined how urgently the world economy and the economic operators need to know the results of these negotiations. In all my contacts with the "real" world outside, I, too, have been struck by the fear of the unknown which, as we all know, is counter-productive.

2. This is why I have chosen to put to you only one question today: Do we agree to push the negotiating process forward so as to conclude the Uruguay Round quickly in the weeks ahead or do we concede that the stage reached last December does not provide the basis for an early conclusion? I hope I am right in concluding that your collective and individual responses have been in favour of pushing the negotiating process forward immediately towards a quick conclusion of our negotiations. To be fair to all, including myself, I should add that our sincerity in this regard will be tested in the coming weeks. And if I am making this point, it is very much related to my earlier comment about the fear of the unknown. My central message to you is that if your response really is "yes" to pushing forward with the negotiations and concluding them in the coming weeks, then let us indeed ensure that we make genuine efforts to achieve this.

3. It is with this goal in mind that I have outlined to you a work plan for the period ahead: the so-called "Four-Track" procedure. And here again my question is: do we accept this working procedure? I believe your

answer, again, has been yes. However, the yes has been qualified particularly in respect of track four. For obvious reasons this track is by far the most demanding in terms of political commitment and political courage. But I would prefer to go beyond notions and be more specific in respect of track four, though often, and certainly in this case, as the saying goes: "In confusion there is often profit". In other words, leaving an element of imprecision would be of advantage to all of us.

4. The first point, made by many participants, regarding track four relates to transparency. I think we have always done all we can to ensure transparency, and this practice must be maintained in respect of track four. It is furthermore essential that we exercise discipline, self-discipline, and more importantly, self-restraint in our work under track four. The fundamental point in respect of track four is that our work therein will be global, in the sense that if, at any stage, -- and the TNC will remain fully informed in this regard -- it appears that track four turns into a sort of negotiation, then it can only be a process involving government representatives responsible for conducting the negotiations as a whole. I would like to repeat that the separate negotiating groups, you will recall, stand terminated and will not be recreated.

5. This brings me to a further important remark. It has been stated several times today that governments are in the process of examining the Draft Final Act, and I understand this well because the document is lengthy, complex and technical. From some of your statements, it also appears that there are misunderstandings in respect of certain areas in the text. In this regard, I would like to invite you to seek clarification from the concerned Divisional Heads in the Secretariat.

6. What all this means is that in regard to tracks one to three, the objectives are clearly understood. The essence of track four is a very simple one. It is the track that shows that the procedure that was forced upon us to bring out a Draft Final Act had its weaknesses, the main one being that arbitration and conciliation had in some cases to be substituted for negotiation. Let me recall here the many meetings of the TNC at which I repeatedly urged delegations to go on negotiating. I say this, again, today.

7. Finally, as I have indicated, I consider it my duty to be ready to be the honest broker, with the help of my colleagues in the Secretariat, and possibly, at a certain stage, with the help of some participants. Once again, however, the proof of the cake will be evident very rapidly in the next weeks.

8. In conclusion, it is clear that the TNC has to remain "on call". Since we are in a formal meeting I am asking you now firstly, if you agree to push the negotiating process forward so as to ensure the conclusion of the Uruguay Round according to the time-table already made known in December, and secondly, if you agree with the four-track approach as described in my opening statement and made more precise in my concluding remarks.

9. It is so decided.