

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee

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REPORT ON THE URUGUAY ROUND

The following communication, dated 7 July 1993, is being circulated at the request of the Delegation of Japan.

1. As Ministers responsible for the Uruguay Round negotiations for the United States, Canada, the European Communities and Japan, we believe we have within our reach a far-reaching and comprehensive market-opening package on goods and services which will help spur world-wide economic growth, increase employment and strengthen our fight against protectionism. We look toward a prompt re-engagement of the multilateral negotiating process in Geneva to be concluded by the end of this year.

2. The realization of this objective will require a fair and equitable sharing of commitments by each of us. Our efforts must be matched by binding market-opening measures by other participants. Mutually agreed solutions will also need to be found to outstanding Draft Final Act issues. Of course, final agreement on a global and balanced package can only be concluded when everything is agreed.

A. INDUSTRIAL GOODS

3. In respect of trade in industrial goods, our negotiations have focused on the liberalization of tariffs and non-tariff measures and on market access binding commitments. Subject to appropriate contributions by other major producers and exporters and satisfactory resolution of specific non-tariff measure issues, we want to build upon existing market access offers contained in our draft schedules of concessions through a comprehensive and integrated approach, recognizing the desire of some participants to move further in various areas such as wood, paper and pulp, and scientific equipment.

4. Specifically, we intend to build on the following minimum elements to achieve an overall balanced package in the market access negotiations:

- (a) Tariff and non-tariff measure elimination: In the context of a far-reaching and balanced market access package, we have thus far identified a common list of product sectors for complete elimination of tariff and non-tariff measures (pharmaceuticals, construction equipment, medical equipment, steel - subject to the MSA, beer, and subject to certain agreed exceptions, furniture, farm equipment, and spirits). We shall seek to add to this list as many sectors as possible.

- (b) Harmonization: We have identified chemical products for a harmonization of tariffs at low rates, including, in some cases, zero, and further negotiations may lead to the harmonization of tariffs in additional product areas.
- (c) For tariffs of 15 per cent and above, we will negotiate the maximum achievable package of tariff reductions, recognizing the objective of reaching 50 per cent reductions, subject to agreed exceptions and to other exporting countries agreeing to provide effective market access through tariff reductions and appropriate non-tariff disciplines.
- (d) Other tariff cuts: For products other than those subject to (a) and (c) above, we will negotiate tariff cuts by an average of at least one-third. We have also identified a number of sectors where tariffs could be reduced substantially beyond this level, in some cases, possibly beyond 50 per cent.

B. AGRICULTURE

5. We look forward to immediate re-engagement of the multilateral negotiations to complete expeditiously the agricultural market access package, including processed products, as an essential component of the agriculture agreement and of a global and balanced Uruguay Round package.

C. SERVICES

6. We believe that achieving a substantial package of services trade liberalization commitments is an essential part of a global and balanced Uruguay Round outcome. It is also necessary to ensure that the new multilateral framework (GATS) for services trade will be based on meaningful and concrete market access commitments. We note the extensive list of existing offers covering a broad range of services sectors such as insurance, banking, securities, construction, distribution, tourism, software and computer services, professional and business services, including consulting, engineering, accounting and legal services. We have looked to ways to further expand our respective offers and to reduce limitations inscribed in our respective draft schedules.

7. Subject to appropriate contributions by other participants, we want to build upon existing market access offers in order to successfully complete the services negotiations. Specifically:

- (a) In financial services, we made progress toward more open financial services markets on the basis of liberalization commitments. We will continue our efforts. We are looking to a greater level of commitment from other participants, including commitments which offer a real prospect of liberalization.

- (b) In basic telecommunications services, we will pursue a multilateral liberalization of this sector within the framework of the draft GATS with the participation of other countries including those with major telecommunications markets. These negotiations should go forward as soon as possible on the basis of a common detailed agenda we have developed. Questions of modalities to enable the negotiations to continue beyond the Uruguay Round, including the handling of MFN exemption requests, should be resolved by the end of the Uruguay Round negotiations.
- (c) In maritime services, we will continue to work toward satisfactory solutions.
- (d) In audio-visual services, we will continue to work toward satisfactory solutions for all aspects of this sector.
- (e) As to the temporary movement of business persons, we look to substantial commitments, including on intra-corporate transferees, in order to enhance the overall liberalization of trade in services.

D. GOVERNMENT PROCUREMENT

8. In respect of government procurement, we are looking to open further competitive contract opportunities for our goods and services suppliers through an expansion of the GATT Procurement Code.