

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Twenty-Seventh Meeting: 14 July 1993

1. The Trade Negotiations Committee (TNC) held its twenty-seventh meeting at official level under the Chairmanship of Mr. Peter D. Sutherland.
2. The Chairman said that the meeting had been convened in order to relaunch the Uruguay Round multilateral process and to embark on the urgent tasks facing the participants that were necessary to complete the negotiations before the end of the year. As all knew, there was still a great deal of work to be done and very little time for doing it. In order to achieve the significant results he knew all governments wished to achieve, he wished to make certain preliminary observations about, for example, how he conceived the rôle of this Committee in the negotiation process.
3. The TNC was the supreme organ overseeing the work of the Uruguay Round, and was part of the management process open to all participants. He intended to use the TNC regularly and consistently as the instrument ensuring a transparent process with maximum participation to bring the Round to a satisfactory conclusion. The TNC was the body in charge of the multilateral process and therefore responsible for guiding and monitoring its progress. He believed it was important that negotiations in Geneva be conducted effectively and in an open and free environment, and not behind closed doors.
4. The value of the TNC and its subordinate bodies established by the Punta del Este Declaration lay in their being used efficiently as working institutions to achieve the maximum concrete and practical results within the minimum time frame. Time was extremely valuable to all participants since there was such a brief period available within which to satisfactorily conclude the Round. He knew he could count on their strong support to conduct the work efficiently and in a business-like manner, as he, as Chairman, intended to do. Given the number of participants, the TNC could only function effectively if all exercised self-restraint and discipline in its proceedings. The fundamental responsibility lay with him, not merely to exercise self-discipline but also to effectively chair the meeting, in accordance with those fundamental criteria. Unless he heard to the contrary, he intended, therefore, to apply rigorously, as from the present meeting, a number of simple procedural rules which he believed would assist in carrying out the discussions efficiently and in a business-like manner, with a view to achieving concrete results. These rules were as follows:

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- (i) Delegations belonging to regional groupings, or other groups having common interests, should endeavour, to the extent possible, to speak through a spokesman.
- (ii) Substantive statements should be limited, to the extent possible, to a maximum of 5 minutes. If available, advance copies of statements should be passed to the interpreters through the Secretary. The Chairman also anticipated a greater use of short responses and spontaneous exchanges.
- (iii) The TNC should also operate -- the Chairman considered this was very important -- on the principle that consent was most valuably expressed through silence.
- (iv) Statements of support for proposals should be expressed by a show of hands or by communicating such support to the Secretariat after the meeting -- the Chairman said he did not think this was unreasonable, particularly since it appeared to be the approach favoured by several delegations with which he had been in contact during the course of the past couple of weeks. If the Committee wished to work efficiently, it was only reasonable that all accept this type of self-discipline. If, therefore, somebody made a statement with which one agreed, silence was the way for all to best express their absolute approval thereof.
- (v) Similarly, both welcome and thank you statements should be communicated to the Secretariat after the meeting, rather than verbally in the meeting itself.
- (vi) Long statements in which delegations wished to place matters on the record should be circulated to TNC members as separate documents.

5. The Chairman said he hoped that the participants would see these rules in the constructive spirit in which they were being put forward. He believed that they would greatly assist all in devoting time to and focusing attention on the issues that were critical to allow for rapid progress. If participants actually believed in using the TNC, as he did, one should not end up in the position where, because the discussions were not advancing, one had to stop using it as much as was desirable.

6. Turning to the main business of the meeting, the Chairman said that on the basis of extensive contacts he had recently had with many delegations, he believed the time was now opportune to move forward rapidly and decisively on the outstanding issues of the Uruguay Round.

7. Firstly, the participants had encouraged consistently, and hopefully to some effect, the major trading nations and groups, particularly the Quad members, to negotiate amongst themselves a concrete market access package as a means of unblocking the Round. Japan had asked that the report on the previous week's Quad discussions in Tokyo be circulated to

the TNC (MTN.TNC/W/113). Quad negotiators had been in Geneva over the past few days meeting delegations bilaterally and plurilaterally to clarify and explain the results of their own joint discussions. It appeared that their governments were ready to engage their trading partners in immediate negotiations with the aim of achieving a concrete market-access result multilaterally acceptable to all.

8. Secondly, again based on his contacts with delegations, the Quad package had been welcomed as a positive development and it was widely recognized that new scope now existed to engage in substantive bilateral, plurilateral and multilateral negotiations on essential elements of the Round. He did not believe that in the briefings that had taken place during the course of the previous days, substantially greater information had been made available, either to himself or to delegations, than that which had been circulated in MTN.TNC/W/113. He did not believe, therefore, that there was much purpose at the present meeting in opening a substantive discussion on what had happened at Tokyo. Further discussions, adumbration and elucidation of the Quad countries' positions, as communicated in the Quad's report and in the subsequent communiqué of the G7 (MTN.TNC/W/114), would, therefore, take place during resumption of the multilateral process to which he would refer later in the meeting. One should therefore, move into the process immediately.

9. Thirdly, while all welcomed the new momentum given to the Round, it was evident, and indeed recognized by the Quad delegations themselves, that further specific agreements would be required on market-access issues, including those that had not been addressed in their report. He hoped that the Quad countries would take careful note of this, particularly as it pertained to issues such as agriculture and textiles. What was important, however, was that there were sufficient elements in this first instalment to start work on a bilateral, plurilateral and multilateral basis. In the process, it would be incumbent on all delegations, including the Quad delegations, to contribute further through the tabling of specific requests and offers. He therefore asked all participants to recognize that now was the time to push forward and not to hold back. Whatever one's views were on the outcome of the Quad meeting, it had been widely recognized as clearly signalling the major parties' intention to move toward a satisfactory conclusion of the Round. He therefore encouraged delegations to put their offers on the table, perhaps conditional on offers expected from others. The conditionality principle had to be used as a real means of moving forward, as otherwise paralysis would set in. It was perfectly reasonable, and highly logical, that that should be the basis upon which the discussions in certain areas should now proceed. In that way one could enhance transparency and gather all of the elements essential to bring the Round to a successful conclusion in good time.

10. Fourthly, the work programme for the months ahead should be intensive, results oriented and comprehensive. All avenues had to be tried - bilateral, plurilateral and multilateral. The programme had to take into account the global aspect of the negotiations which implied that nothing was final until everything was agreed, which was another

aspect of the conditionality to which he had already referred. The programme had to remain flexible and capable of rapid adjustment in response to changing circumstances. As always, the respective chairmen of the negotiating groups should continue to exercise their discretion within these broad parameters.

11. Finally, he had always been convinced -- and even more so now -- that the Draft Final Act could not be subject to substantial or major changes without seriously compromising the collective aim of concluding the Round by December.

12. The Chairman then proposed the following outline work programme over the coming weeks:

13. Beginning in the afternoon of the same day, the Negotiating Group on Market Access would meet to review the state of negotiations in the light of the most recent developments and to establish a work programme, thus providing a multilateral framework for the round of bilateral and plurilateral discussions that had already begun. He understood that at that particular meeting, there might be some further discussion and exposure of the elements arising from the discussions at Tokyo which was another reason for not doing so at the present meeting.

14. In the morning of the following day, an informal meeting of the Group on Negotiations on Services would be held to consider recent developments, to establish a work programme and to advance progress in a number of areas.

15. He intended to convene another meeting of the Committee on Wednesday, 28 July, to review the progress achieved and perhaps have a first discussion on the Autumn work programme which would also have to include the remaining tracks of negotiations.

16. He anticipated and envisaged that the Secretariat, Geneva delegations and officials in capitals would find it useful to prepare carefully, during August, for an intensive Autumn programme, to obtain instructions in various areas, and to maintain and develop the contacts which would have been initiated during the latter part of July. He believed that one should have a further TNC meeting at the end of August, to identify then the critical path items that were necessary to enable a completion of the Round by mid-December.

17. He invited delegations that so wished to comment on the issues he had raised, subject to the rules of engagement that he had outlined earlier.

18. The representative of Japan said that his delegation could abide by the Chairman's rules. As the Chairman had stated, Japan has asked to circulated two documents: i.e., the report on the Uruguay Round which had been adopted by Ministers of the four trading partners, namely, Canada, the European Communities, Japan and the United States (MTN.TNC/W/113), and the text of the Declaration adopted by the Heads of

States and governments of the G7 countries (MTN.TNC/W/114), paragraph 7 of which was particularly relevant to the Uruguay Round. The first report on the Round was a product of very intensive bilateral and plurilateral negotiations held over the past few months amongst the four major trading partners at both official and ministerial levels. Focus had been on the issues of market access, both in goods and in services but, as the Chairman had said, there had not been sufficient time to address all aspects of the Uruguay Round negotiations. At the same time, he reminded the participants that on all these key items, particularly as contained in paragraph 4 of MTN.TNC/W/113, this agreement was not final, as could be easily understood from the text, but represented a minimum element to achieve an overall balanced package of negotiations on goods. Also, its content was very substantial as illustrated by, inter alia, the total elimination of tariff and non-tariff measures in eight sectors, the harmonization of tariffs in one particular sector, and the substantial reduction of high tariffs on certain products.

19. While the four major partners would continue their negotiations among themselves and try to improve the package, he hoped that at the same time the other major trading partners would join them. As clearly stated in paragraphs 3 and 6 of MTN.TNC/W/113, they expected a similar contribution by other participants in the Round. They had provided additional details to various participants on an informal basis and would be presenting more details in the afternoon to the Negotiating Group on Market Access. He hoped that the adoption of this report by Ministers of the four trading partners would provide a major breakthrough to the negotiations on market-access issues which, although not a final agreement, would provide the contribution to the negotiations in Geneva that would give a strong impetus to the reactivation of negotiations.

20. The representative of the European Communities said the Community greatly appreciated the way in which the Chairman was drawing the participants forward. He would even add another rule to the Chairman's set which was to start on time as well, on Swiss time. In line with Japan, the Community and its member States were ready to engage in negotiations in which all participated and in which thought was also given at all times to the developing countries. The Community would continue to respect the principles of the Punta del Este Declaration, particularly as regards contributions of the less advanced partners. While they were expected to make contributions -- that had to be clearly understood -- these would not be contributions that were incompatible with their development, financial and trade needs. A lot had been said about the Quad; it was not a cathedral. He hoped it was clearly understood that he was now negotiating for the Community, not for the Quad. Whatever had been agreed to in Tokyo at that Quad meeting constituted a platform, a starting basis, which the Uruguay Round participants had to take further into the real negotiations.

21. The Community's negotiators, including for agriculture, would be in Geneva as from the following Monday and would therefore negotiate. He warned that in these negotiations, the Community would not be easy-going. As to the Chairman's five-minute rule, he would have to negotiate; the

five minutes might have to be multiplied by twelve to take account of the fact that he negotiated on behalf of twelve participants, as opposed to the other negotiators. In conclusion, he respected the Chairman's rules and would abide by them. He thought that new prospects were now opening up for participants and was reasonably optimistic because these prospects seemed favourable.

22. The representative of the United States commended the Chairman for convening the meeting and for the very active and expeditious programme of multilateral negotiations which he had outlined. As he had said in several briefings over the past several days, everything that had been done in the Quadrilateral setting over the past several months had been designed to bring the four major partners to Geneva where one could engage in a serious, realistic effort to bring the Uruguay Round to conclusion. The test of success, or lack thereof, in what any of the four had done so far in the Quad would be in the Geneva framework and would be measured by the success that all participants had in moving forward towards a multilateral agreement. He would not, therefore, talk about the specifics of what had been agreed in the Quad. As had been indicated, his delegation would try to be more forthcoming, at the meetings referred to by the Chairman and also beyond. It intended to be frank in letting everyone know where it stood and what it was prepared to do. For the moment, he would merely express the optimism and the encouragement that he felt from the meeting and from the reaction of everyone present to what he thought was a real prospect of moving forward towards success by the end of the year.

23. The representative of Canada said that his delegation, too, welcomed Mr. Sutherland's firm chairmanship and the rules that he had laid down. With respect to the work programme, Canada certainly was anxious, as others were, to get down to business quickly. As had been noted, the document that had come out of the Tokyo Summit was a first stage, a platform, from which all could collectively build into a global and balanced package, recognizing that nothing was final until everything was agreed. On market access, the document set out some agreed minimum elements which had to be in a final, large, overall, balanced package. Such elements would constitute a result which went well beyond the targets of the Mid-Term Review in Montreal. Even those minimum elements might not be there at the end of the day if each participant was not ready to match the ambition of this basic foundation with binding concessions of its own. The efforts of the participants in the Tokyo statement were clearly based on the expectation that there would be a fair and equitable sharing of commitments among all participants. For Canada, of course, this meant the need to succeed in its effort to add more sectors to the barriers elimination category as was clearly foreseen in the Tokyo statement.

24. The Chairman reiterated his intention not to propose opening up some of the issues that had been tentatively referred to. It had been suggested that further clarification of the Quad report might be offered in the course of the next stage of the process which would take place that afternoon and on the following day, and that one would get a frank and full disclosure which would allow everybody to put their best foot forward. He implored everyone to join in that process, because there was

no point in waiting for everybody else to offer concessions and maintaining a position until the eleventh hour. The eleventh hour was here already. It was therefore a question now of injecting dynamism in the negotiation process.

25. The representative of India commended the Chairman for convening the meeting. Referring to the Chairman's set of rules, he noted that the Community had added one. His delegation greatly appreciated that the negotiations were back in Geneva. It had not been of its choosing that the negotiations had moved out of Geneva and had disappeared altogether. India saw also the results from the Quad process as a positive development and was more than willing to contribute thereto. India welcomed the Community's statement regarding contributions by developing countries having to be consistent with their development, financial and trade needs, as it had been set out in the Punta del Este Declaration, and also in the Mid-Term Review. It seemed to him that in the Quad process, and in everything that had resulted therefrom, this aspect had been overlooked. He noted that the TNC, which the Chairman had now proposed to use more intensively for monitoring and supervising the negotiations, was also a forum for political signalling and political exchange of messages.

26. The representative of Morocco, speaking also as coordinator for the developing countries, said that the members of the group of developing countries welcomed the breakthrough in Tokyo. He reminded the Committee that thus far the developing countries had always contributed in an open and constructive spirit so that the Uruguay Round could be finalized as soon as possible. They reiterated that for their Group, the Punta del Este Declaration remained valid, as did all the provisions therein on special and differential treatment.

27. Before closing the meeting, the Chairman informed the Committee that he had recently been approached by a number of delegations concerning a possible arrangement whereby countries in the course of accession to the GATT might be associated with the Uruguay Round. If it was agreeable, he would, of course, be prepared to carry out informal consultations with a view to establishing whether a proposal on this matter should be made at the next meeting of the Committee. He was not in any sense signalling a view on this particular issue, but simply saying that the matter was being raised so substantively with him that it was one that clearly had to be considered. He wanted to inform the Committee about it at this stage because it might well be that a proposal along those lines would arise at the next meeting. He intended, therefore, to have some communication on the matter. It would be particularly helpful if group leaders, where there were group leaders, and anyone also who had a view on the matter would get in touch with the Secretariat.

28. He was grateful for the members' forbearance and hoped that the rules would work in the future, and, also, that by the next meeting, further real progress would have been made.

29. The Committee took note of the statements and agreed the work programme proposed by the Chairman. It further agreed that the Committee would hold its next meeting on 28 July.