

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Twenty-Eighth Meeting: 28 July 1993

1. The Trade Negotiations Committee (TNC) held its twenty-eighth meeting at official level under the Chairmanship of Mr. Peter D. Sutherland.
2. The Chairman said that the meeting had been convened for the specific task of reviewing the progress achieved since the previous meeting on 14 July at which it had been collectively agreed to restart negotiations in Geneva. This task was entirely in keeping with the rôle of the Committee as a management body with the crucial monitoring and guiding functions for the Uruguay Round as a whole. As he had said at that meeting, the TNC could best perform its functions if deliberations in this forum were kept business-like, pointed and brief.
3. He had been in regular contact over the two previous weeks with the Chairmen of the groups on market access and on services who had both reported separately to him on the state of play in their respective areas and on their plans for the future. Essentially, reflections in capitals and bilateral negotiations would continue during the month of August, and from early September intensive multilateral negotiations on market access and services would take place with the aim of reaching concrete and convergent results by mid-October.
4. One would need to continue to maintain during this period a mix of bilateral, plurilateral and multilateral meetings in order to achieve effective progress in the Market Access negotiations. Specifically, he endorsed the following critical path to move the process forward in a result-oriented and balanced manner which had been suggested following the informal meeting of the Market Access Group on 27 July:
  1. In August, the focus should be in capitals to adjust negotiating mandates as necessary in the light of recent developments and to obtain sufficient flexibility for effective bargaining in the September-November period;
  2. Participants should re-engage with capital-based teams in a further series of bilateral negotiations on agricultural market access in Geneva beginning 30 August through the week of 13 September;

3. In the week of 13 September, further plurilateral consultations would be held on all elements of the market access package in both agricultural and non-agricultural products to explore the potential offered by the "conditionality" approach - which had been already referred to in the TNC -, followed by a meeting of the Negotiating Group on 17 September;
  4. In parallel, between mid-September and mid-October, full scale bilateral negotiations with capital-based teams should continue in both agricultural and non-agricultural products, focusing on improvements to existing offers and reactions to recent sectoral proposals; and
  5. On 15 October, a substantive stock-taking meeting of the Negotiating Group would be held, followed immediately by intensive Chairman consultations to complete the detailed market-access package. This should lead to the submission of agreed changes and revisions to the Draft Schedules of Concessions by 15 November, to the review and assessment envisaged in the Punta del Este Declaration at the beginning of December, and to the final market-access result by 15 December.
5. In the area of Services, he would request the submission of outstanding initial offers and revised offers by 1 September. The agreement to finalise all outstanding textual issues in the framework and the Annexes in the week of 13-17 September was fundamental. Two bilateral negotiating processes - each of two weeks - had been provided for: the first beginning on 20 September and the second, which was intended to be the final round of bilateral negotiations, on 18 October. A detailed timetable as agreed the previous day at an informal meeting of the Negotiating Group on Services - which he also endorsed - would be made available at the end of the meeting.
6. While the TNC would continue to review progress, the immediate purpose was not to go over the fine print of these work programmes that had been established after extensive consultations and represented views which, according to the Chairmen of the two Groups, had been generally acceptable.
7. At its meeting on 14 July, the TNC had already established the broad parameters under which one was now working, and had also agreed that its work programme should remain capable of rapid adjustment in response to changing circumstances. While the fact that one was now getting on with the very difficult work that lay ahead could be welcomed, he felt that sharing some comments and observations based on his contacts with delegations in the past days might help to give the TNC's review additional meaning and content from an overall perspective.
8. The good news was that in both Market Access and Services, the work done had been useful. A large number of meetings and negotiating sessions had been held, and more were planned. Of even greater significance was the very large number of delegations which had participated in these bilateral, plurilateral and multilateral sessions. The atmosphere had remained generally positive and constructive, and governments were apparently ready to engage in negotiations quickly and substantively.

9. Three areas, however, also required attention.

- (i) The first - and the most worrisome - was the fact that overall, one still had to perceive a sufficient sense of urgency. As he had said on another occasion, leaving problems for the proverbial eleventh hour was a recipe for failure, and if one were to succeed in December, this hour was really now. While the milestones for the early Autumn period had just been identified, one needed to move forward on this basis without deviation or delay.
- (ii) The second was that despite the optimism created by the re-engagement of work, it appeared that a number of delegations had yet to provide more complete information on the possible concessions in the areas of market access and services. At the general level, there had been a delay in the exchange of detailed sectoral information - something essential to get the negotiations actually moving in these two areas. At a more specific level, he was aware that many delegations saw linkages between the market access negotiations, particularly in the areas of textiles and agriculture, and related issues in the Draft Final Act (DFA). This should not prevent delegations, however, from putting forward their offers, now, and, if necessary, by making them conditional upon a satisfactory package of contributions from all others and resolution of the normative issues. The process, however, and each delegation's part in it, had to become active and could not remain passive any longer. Otherwise, these linkages would directly affect the participants' ability to make the breakthroughs needed to move the process forward. This situation should be looked at closely in capitals during August. If one were to make the progress required in early autumn, capitals would also have to be engaged during August. He had been informed that a number of bilateral meetings had already been arranged in a number of capitals to consider these issues, as well as the internal processes which were important to resolve them.
- (iii) The third area of concern pertained to the vast amount of technical work and substantive negotiations that confronted the participants in other areas of the DFA. Substantial and widespread changes to the DFA were unlikely to be conducive to the success of the Round. Consensus on such alterations would be more, not less, difficult to get, and given the fact that even the purely technical work ahead required time and meticulous attention, all participants would simply have to exercise maximum self-restraint and discipline in this area.

10. Taking into account all these factors and also the work programmes elaborated in the areas of Market Access and Services, the following points deserved being stressed:

- (i) In Market Access, the TNC should particularly stress the importance of achieving substantive results between now and mid-October. For such progress to be achieved, it was necessary

for all elements to move together, i.e., the unilaterally revised and improved agricultural and non-agricultural offers, sectoral proposals, such as for steel, and the DFA issues directly related to market access, especially in agriculture and textiles;

- (ii) In the area of services, the TNC should particularly stress the importance of intensive negotiations on initial commitments during September on a bilateral and plurilateral basis, and of achieving agreement on the remaining textual issues and Annexes. This would be a minimum requirement for the overall momentum needed for the closing period of the Round;
- (iii) On certain other complex areas of the DFA, e.g., on institutional issues, he proposed to start immediate consultations on a bilateral basis on the organization of work and future planning and the issues concerned;
- (iv) As all knew, participants had agreed at Punta Del Este that the principle of differential and more favourable treatment for developing countries would apply to the Uruguay Round negotiations. He wanted to consult widely with delegations on how this objective might best be achieved and on what appropriate action the Secretariat could take to assist the process; and
- (v) With regard to the immediate future, he stressed the importance of using the month of August to receive instructions from capitals, to maintain the pace of bilateral exchanges of offers and to bring renewed expertise and flexibility to the negotiations in early September. The first weeks of August should be a period of negotiations between and within governments to review national positions. The way governments used this period would have a direct and crucial bearing on the pace and quality of the work in September and onwards. The Secretariat would remain available throughout for any rôle it might be required to play. He recalled that at the previous meeting he had announced his intention of having a meeting of the TNC at the end of August. He believed that the latter should meet on 31 August, thus providing a suitable occasion for proposing a concrete work programme based on the consultations with participants, to which he had just referred, on outstanding DFA issues. It might also be useful to consider the follow-up implementation that would be required after 15 December on the premise that definitive substantive agreement would be reached by that date. In this respect, in order to clarify the distinction between what had to be achieved by 15 December and the remaining work which could be envisaged in the period immediately following the conclusion of an agreement, he envisaged that a further meeting of the Committee, - again as the crucial controller of the process - should take place at the end of September to review the state of play in the negotiations without deviating from the earlier proposition that the TNC could always be called, if and when it was required to deal with issues which would undoubtedly arise in the period ahead.

11. The representative of the European Communities said that he had some doubts about the proposed August meeting of the TNC. For the meeting to be useful, participants would have to be present in order to do real business. In committing himself and his whole team to do so, he also counted on the Chairman and the other participants to be available not only for the TNC meeting, but also in the days before or just after it, in order to accomplish the substantial business the Chairman wanted them to do.

12. The Chairman said that he believed that there would be something substantial happening at the TNC meeting at the end of August as long as participants could guarantee that the same would happen at the negotiations in the interval between now and that meeting.

13. The representative of Hong Kong said that his delegation agreed with the proposed programme and would be available in August, if that were the Chairman's wish. The Round had been stalled for some eighteen months by an apparent paralysis of political will on the part of the major players. Hong Kong noted with satisfaction that that at least appeared to have been solved. He welcomed the positive outcome of the G7 meeting in Tokyo and was confident that this would provide the necessary push to get the Round going again. Hong Kong was prepared to play a positive part therein. Although it had very respectable market-access offers on the table for both goods and services, it had, since the Tokyo meeting and as a gesture of its commitment to moving things forward, further indicated in bilateral discussions its willingness to improve these offers. In goods, the revised offer took full account of the Quad countries' movement in zero-for-zero and harmonization; similarly, in services, Hong Kong had made additional commitments in the maritime, transportation, financial services and audio-visual sectors. In very broad terms, its message was that it would match the best offers on the table. In putting forward these commitments he would make two points.

14. First, it was not sufficient for the major players to settle matters of major interest amongst themselves, and then to come to Geneva and expect other participants simply to "sign up". Hong Kong welcomed the major players' new willingness to compromise, although it could find little in the Quad countries' package that was of direct interest to it. Others probably also found themselves in the same position. One needed to move very rapidly towards broadening that package multilaterally and expanding its coverage to include matters of significant interest to others.

15. Second, Hong Kong had predicated its revised market access offer on there being no amendments to the DFA which would adversely affect its own interests, which lay, as everyone knew, in dispute settlement, anti-dumping and textiles and clothing. He noted that the month of September was only a short time away and in devising the work programme for the coming month, he urged that the temptation to tamper with the DFA be resisted and focus be instead on the task of negotiating broadly based market-access agreements for both goods and services. He noted with satisfaction that that appeared to be the Chairman's will as well. While the DFA was not perfect - Hong Kong, like everyone else, could point to areas in which it would like to see improvements - to the extent that it substantially strengthened the GATT's rules and disciplines, it met Hong Kong's objectives in the Round. If ultimately there were to be changes to the DFA, they should be

amendments which strengthened these rules, because that was what the multilateral trading system needed. Hong Kong looked forward to working with the Chairman in this task.

16. The representative of Singapore, speaking on behalf of the ASEAN participating countries, said that they viewed the present month's developments with a measure of satisfaction in that as a result of the package on industrial goods arrived at during the Tokyo G7 Summit, fresh momentum had been given to the Uruguay Round. Over the past few weeks the Quad participants had clarified and explained what had been agreed to in Tokyo; this had been a useful exercise. However, the value of the Quad Agreement in the goods sectors remained to be assessed in their respective capitals; significant sectors of interest to the ASEAN, such as electronics, fisheries and textiles, had been quite obviously left out. A detailed assessment of the package would be made during the month of August. A number of ASEAN participants were engaged in bilateral meetings with their trading partners on services and were being urged to do more in this sector. The ASEAN was, of course, prepared to do so taking into account the agreement reached at Punta del Este. Its willingness to do more would also depend, however, on success being achieved on other aspects of the Round, including textiles and agriculture. The important issue would be the willingness of all participants to conclude the Uruguay Round on the basis of the DFA, without adding new issues thereto.

17. The representative of Argentina asked whether the Chairman could elaborate on the approach and the methodology that had led him to envisage bilateral consultations on institutional issues. Regarding the Chairman's proposal that the TNC hold another meeting on what were considered to be important outstanding issues, he asked whether the Chairman could indicate now when this would be done and a list of topics be made available and what the proposals would be in each case.

18. The representative of Turkey recalled that his country had, already in May 1992, submitted its line-by-line Schedule of Concessions in goods and initial commitments in services. This had been done on the basis of the DFA. Following the G7 Tokyo Summit his delegation had been engaged in some bilateral contacts in Geneva and would continue to do so. His authorities were also evaluating the available details of the Quad Agreement. While it was evident that the product coverage thereof was not broad enough and that its approach to tariff elimination was not sufficient, it should be seen as providing momentum to the negotiations. He urged participants not to show in the trade field the weaknesses which had already diminished the credibility of the Community of Nations in the recent years and months in other areas, and thus not to repeat important failures in this field too.

19. He asked first whether one believed that the world's ever-increasing regional and sub-regional integration efforts could only be transparently assessed under the multilateral framework, and second, whether one also believed in the assessment that the successful conclusion of the Uruguay Round would inject into the world's economy as much trade per year as studies indicated, i.e., US\$200 billion's worth. If the answer to those questions were positive, then one should not hesitate and should continue working. His delegation was ready for every positive and constructive effort in that direction.

20. The representative of Colombia said that the Tokyo Agreement had given new impetus to the stagnated negotiations and Colombia believed it would be in the common interest to successfully conclude this commitment of the international community. Thus Colombia had, once again, devoted itself to the necessary exercise to achieve the purpose of appropriately concluding the Round. Over the past three weeks, the Quad members had been informing participants of their progress in market access for industrial goods. However, following its examination of the substance of this Agreement and the additional information thereon obtained in bilateral meetings, Colombia had been led to conclude that the sectoral zero-for-zero approach was of no interest to it for two reasons. First, because of the non-inclusion of the sectors or products considered to be of priority in Punta del Este and Montreal - particularly tropical products, textiles and clothing, and, in general, agriculture. Second, because of the complete disregard for special and differential treatment for developing countries. As for services, progress in Tokyo in the conflicting areas had been very modest - for instance, movement of natural persons as service providers continued to receive discriminatory treatment. For these reasons, the plurilateral and bilateral efforts of the past few days had been hampered. At the GNS's meeting the previous day, Colombia had warned about the close linkage between progress on access commitments for services and that on access for goods, because it had always considered it fundamental that negotiations should be global. The GNS's tentative calendar of work for the upcoming months would therefore depend on the concrete proposals on goods that would be tabled in the first weeks of September.

21. Finally, his delegation considered that it would be extremely useful to proceed to examine the concept of tariffication of non-tariff measures in agriculture to avoid any unnecessary obstacles to progress in negotiations as a result of a diverging interpretations of this proposal. While his Government supported the tariffication concept, it considered that it could not be applied in cases where the non-tariff régimes were not GATT consistent, as was the case of the banana import régime in the European Community.

22. The representative of Egypt, speaking on behalf of the African developing country participants, supported the Chairman's proposed schedule and programme of work. As one was attempting to move towards the conclusion of the Round, it was evident that since the TNC meeting on 14 July, it had been possible to revive the negotiating atmosphere, clarify further the Quad Agreement and, for some, their positions in light of the schedules proposed by the Chairman. Several points still needed to be clarified concerning the upcoming negotiations. First, the African countries had no intention of separating the remaining controversial points in the DFA from the market-access negotiations in goods or services. Second, while the Quad Agreement might be a breakthrough for some participants, they themselves would like, at this juncture, to better understand the relationship between this Agreement on one hand, and the DFA, the Mid-Term Review Agreement and the Punta del Este Agreement on the other, and the impact of the relevant paragraphs of the Quad Agreement, namely 4(a), (b), (c) and (d) on developing countries. They looked forward to accelerating plurilateral and bilateral consultations in sectors of interest to their economies in which it might be possible to achieve further tariff improvements, and to a refinement of the DFA with a view to

settling the remaining controversial issues. They urged that due consideration be given to the relative fragility of the developing countries in Africa, particularly the least developed ones. Their countries' contribution to the Round in the coming market access negotiations would remain, in accordance with the Punta del Este Declaration, in the bounds of their financial, structural adjustment and development needs.

23. The representative of Uruguay expressed support, in general terms, for the Chairman's proposed programme of work, with the understanding that it should allow for a certain element of flexibility in the light of circumstances. Uruguay welcomed and was encouraged by the fact that the Chairman had referred to the special and differential treatment which was so important for developing countries, and which constituted a contractual basis for the Uruguay Round. Uruguay understood that this important principle should be reflected in offers made by the developed countries to developing ones.

24. Uruguay believed that the concept contained in the Quad Agreement upon which the Quad members had agreed amongst themselves was also valid for relations between the latter and developing countries. Indeed, the concept according to which what the Quad needed was an agreement to bring about effective market access - tariff reductions and appropriate non-tariff disciplines - was also what the developing countries wished to obtain for sensitive and important products for which they had a real, effective and immediate export capacity. Once again, these countries reiterated that their assessment of the Round would be made in the light of what they would obtain on those very products, all the remainder being of minor interest to them. In Uruguay's case, that clearly meant agricultural products, in particular beef, and industrial goods, textiles as well as other sectors already appearing on its list of requests.

25. The representative of the United States said that the autumn programme outlined by the Chairman was very realistic and useful and could in fact work to move participants towards a successful outcome. In response to comments that the Quad Report did not respond fully or sufficiently to the interests of particular countries, he would simply reiterate what all that had been involved in the development of that Report had said from the beginning, namely that it was intended to be the foundation of a market-access package, and not by any means, in and of itself, a complete one. It obviously contained important open issues, e.g., a statement of intent to try to add additional sectors into the zero-for-zero category. A lot had been heard from various countries about additional sectors they would like to have included, and the United States had also indicated some it would like to have included. While it was, of course, easy to answer such questions unilaterally by asserting one's wishes, the real challenge was to try to come up with answers which would be acceptable multilaterally. That was why the United States was in the negotiations, and that was the purpose of these negotiations.

26. It should not be surprising or discouraging to anyone that there were a lot of questions left unanswered by the Quad Report, or that, in many respects, those questions needed now to be answered in ways that would make the ultimate package acceptable not only to the Quad members but to all the

participants in the Round. If that was the autumn's challenge, then that was the challenge his delegation assumed the Quad Report was presenting. The United States, like others, intended to engage in this process with the objective of arriving at a result that would answer all the unanswered questions, and others which were not even referred to in the Quad Report, in ways that would produce an ultimate package that all participants would find acceptable.

27. The representative of Japan said that his delegation was satisfied that due to the G7's efforts in Tokyo, the multilateral process had been relaunched in Geneva. He thought it was necessary to keep the momentum - which had apparently not been maintained - and to accelerate the process. In this respect, Japan entirely agreed with the Chairman's proposed work programme. Time was very limited, and the coming autumn represented a last chance to complete the Round. All had, therefore, to redouble their efforts. In addressing the DFA issues in the autumn, participants had to be reminded that changes should be minimum and that a fair and balanced solution should be found on the difficult issues. His delegation stood ready to take part in the process ahead in order to bring about a successful conclusion of the Round by the year's end.

28. The representative of China said that his delegation supported the Chairman's proposed work programme. The July process had contributed to preparing the ground for the work to be done during August and for an extra round of negotiations starting at the beginning of September. In the two previous weeks, his delegation had held bilateral negotiations with several participants and had taken part in some, if not all, plurilateral discussions and consultations. These had been very helpful in the context of improving and adjusting initial offers. On the basis of the information gathered from those contacts, China was prepared to table an improved offer on market access. It felt, however, somewhat disappointed. As was well-known, China had tabled a revised offer on trade in services, in which it had offered a lot. It had, however, received much less through the bilateral negotiations so far, e.g., with regard to movement of natural persons which was of great importance to many countries. Textiles and clothing were another example. A third related to how countries would actually implement differential and more favourable treatment as had been set out in the Punta del Este Declaration and at Montreal. His delegation hoped that the interests of developing countries, including China, would be fully taken into account and that one could move quickly to conclude the Uruguay Round with a meaningful and balanced package beneficial to all participants.

29. The representative of India said that having taken part in the consultations that had led to the proposed work programme, his delegation had no problem with it. He wanted to share with other participants the observations he had made at the meetings at which the programmes had been endorsed. In respect of market-access issues in industrial goods and in agriculture, two DFA texts were directly involved, namely those on textiles and agriculture, and before long, therefore, the participants concerned in those areas would have to resolve those issues. It had been his delegation's contention in the Uruguay Round that unless all the participants' concerns were taken on board and addressed, the negotiations could not be concluded successfully. His delegation, therefore, had taken

note that the Chairman intended to enter into consultations on how other market-access issues not directly related to the tariff-reducing exercise would be addressed after the summer break, and looked forward to those consultations. In the case of agriculture, India essentially had problems relating only to the interpretation of provisions. It would, therefore, like to be given an early opportunity of addressing them and being assured that its interpretation was correct. It had not yet been possible for India to put its offers on the table because it needed some kind of an authority to provide interpretation of some of those provisions. In the case of textiles, of course, India had a problem with the economic package itself and that had to be addressed before it could progress in market access. His comments were intended to put in perspective the context in which India accepted the work programme.

30. The representative of Bangladesh, speaking on behalf of the least-developed countries, said that they welcomed and supported the work programme proposed by the Chairman. They had serious reservations, however, about the overall package of the DFA. Their comments and views had been communicated to the participants through the Chairman and circulated by the Secretariat in January 1993. They hoped that the participants would remain faithful to the Punta del Este political commitment they had made in respect of the least-developed countries. They were prepared to continue to participate in the negotiations with a view to a successful conclusion of the Round and would do their best to contribute to the process. They were very conscious of the fact that if the Round left out one-fourth of its participants, it could not gain credibility and legitimacy.

31. The representative of Norway, speaking on behalf of the Nordic countries, said that the informal meetings of the GNG and the GNS, and the present meeting of the TNC, had certainly contributed to underpin and sharpen the Nordic countries' sense of urgency. They had set out their expectations and views in the GNG and the GNS, and had expressed a mix of encouragement, satisfaction and, not surprisingly, slight disappointment in some areas of specific interest to the Nordic countries. They remained confident, however, that this disappointment could be overcome. The Nordic countries' point of departure would be that in the next phase of the negotiations, one needed to build on what had been agreed by the Quad countries, which should rightly be seen as the minimum elements of a substantial and balanced market-access package.

32. The representative of Morocco, speaking on behalf of the Informal Group of developing countries, recalled that at the previous TNC meeting they had highlighted the re-engagement which had been started as a result of the Tokyo meeting. The consultations that had been undertaken since then had been very useful in that they had made it possible to assess the degree of divergence that might still exist. The positive element in the recent meetings had been that they had showed that it was better to reveal these differences clearly rather than obtain a confused consensus. The Quad Agreement, however, had not provided an answer with regard to products of export interest to developing countries. That situation would have to be corrected in the forthcoming exercise to which the Chairman had urged all to participate in September by filling the gaps in that Agreement. As the Round concerned everyone, it would be for all to show that there were

only actors and no spectators in this exercise. Their countries had noted with satisfaction that the application of special and differential treatment as provided for in the Punta del Este Declaration was one of the Chairman's main concerns. Once again, they took note of the latter's commitment and renewed their assurance of their fullest cooperation in bringing the Round to a fruitful conclusion.

33. The representative of Korea endorsed the work programme outlined by the Chairman. He hoped that this fresh initiative would lead to a successful conclusion of the Uruguay Round. Korea had actively participated in a number of bilateral, plurilateral and multilateral meetings, in both the goods and services areas. Overall, the process had been useful, and, although it had been limited, some progress had been made. The process had been useful particularly because it had enabled participants to have a better, if not complete, picture of what had been agreed in Tokyo. It was also true, however, that a number of points still remained unclear. In his view, this explained to a large extent why only limited progress had been achieved, thus falling short of expectations in the immediate wake of the Tokyo Summit. Apart from the market-access issues on which Korea had been focusing until the present meeting, other issues remained to be resolved which were also of critical importance to the participants and should be seriously discussed if one was to achieve a balanced final package acceptable to all. It was not that market access was not important; on the contrary, it was one of the important issues that held the key to the successful conclusion of the Round. However, the resolution of these other issues was as important and, given the time constraint, as urgent as the market-access negotiations. Furthermore, most of these issues were often so closely related to the market-access issues that meaningful progress in that area could not be possible without solutions in these other issues. Therefore, starting in September, one had to proceed to address all the remaining issues together.

34. The representative of Brazil said that Brazil had had the opportunity to make an assessment of the situation in market access in other fora, and he did not think it appropriate to dwell upon these observations at the present meeting. Brazil was satisfied, like others, that it had been possible to multilateralise the process, although it had been done on a basis that had its evident shortcomings. Brazil would be looking forward to the actual negotiations in the autumn and would very much support that this be done on the basis of a common method that fully took into account the Punta del Este Declaration as well as the particular interests of developing countries. Brazil supported the Chairman's work programme and would be interested to hear his replies to Argentina's questions which appeared to be also of concern to others such as India. His delegation would be ready to participate in the consultation process. He believed that there would be a chance to make substantial progress, and thus a chance to conclude the Round, only if one moved in the spirit of globality.

35. The representative of Tunisia said his delegation had noted with satisfaction of the Chairman's proposed programme of work. He congratulated the latter for his efforts and endeavours so far and encouraged him to continue in the same direction. As regards the consultations exercise which the Chairman intended to organize, Tunisia welcomed this initiative and was prepared to participate therein. He asked

whether the consultations exercise on differential and more favourable treatment for developing countries would complement or replace the overall exercise provided for in the Punta del Este Declaration itself.

36. The Chairman thanked all for contributing to the constructive and positive approach that had been adopted. He said that the concerns raised by the developing country participants would have to be taken into account at an early date. He assured the developing countries that the Secretariat would remain available to assist them in their assessment of developments in the Round, and hoped they could avail themselves of its services. As regards Tunisia's question concerning the consultation exercise on special and differential treatment, he said he viewed this as being complementary to the provisions in this regard in the Punta del Este Declaration. He agreed with the Community that the work programme he had outlined should be the real restart to the negotiations, and hoped that participants would be able to re-engage immediately at the end of August on the basis of the work done until then. The proposed work programme implied the substantive involvement of delegations in the negotiating process and he would exhort them to apply themselves accordingly.

37. With regard to the consultations on the DFA text, he said that the intention was to work towards cleaning up the text regarding certain matters, such as the MTO and dispute settlement. As for other areas in the DFA text that had been the subject of comments and submissions, he hoped to obtain an understanding, again bilaterally, as to the extent and the reality of the issues that had been raised with a view to moving forward in the short time available for concluding the Round. While he had not included any of these matters in the proposed work programme, it was clear that a number of things would have to be done in this area during the autumn and examined at a later date in order to establish a programme for continuing that work. Finally, with regard to a question raised by Argentina, he said it was perhaps too early to draw up the list that that delegation had hinted at. It was, however, a matter to which one would have to devote attention in the not too distant future. He reiterated that the purpose of his proposed bilateral consultations would be to determine what issues needed to be addressed and when.

38. The representative of Argentina said that his question had in fact related to the degree of preparation for a TNC and, in line with the methodology the Chairman had suggested, it was important to note that August would not be a fully working month in Geneva. Officials in capitals would not necessarily have their finger on the pulse which would enable them to determine what sorts of changes to the DFA would be proposed in the course of August. Argentina - and most participants - would hope that no changes were brought to the DFA. If changes were to be introduced, however, it did not want to improvise, nor to come unprepared.

Since the Chairman had suggested that this would be the main purpose of the meeting at the end of August, his delegation simply believed that at some time it would be helpful to have a more detailed proposal and, if one was not presently available, for the Chairman to indicate at what point in time it would be so, in order for delegations to prepare themselves.

39. The Chairman underlined that he had in no way suggested substantive revisions to the DFA text. He had made clear earlier, and would reiterate

now, that the DFA text was and would continue to be the basis for the successful conclusion of the Round. That being said, there were certain non-substantive issues of a textual kind which would not require taking positions in the next few weeks, nor a detailed enumeration. He did not consider this in any way to be a re-opening of the DFA text, but merely putting into order certain areas on which some technical work was still required to be done. It was this that would be looked at in his consultations, and not substantive changes in the DFA text, which he hoped would not be part of those discussions at all.

40. Turning to another matter, he recalled that at the TNC meeting on 14 July, he had mentioned that he had been approached concerning a possible arrangement whereby countries and territories in the course of accession to GATT might be associated with the Uruguay Round. He had undertaken to carry out informal consultations with a view to establishing whether a proposal on this matter could be made at the present meeting. He was pleased to inform the Committee that the consultations, which more than twenty participants had attended, had led to an agreement on the terms of association of acceding countries and territories. He would therefore propose that the Committee adopt the following text:

- "The Trade Negotiations Committee agrees that the countries and territories which are negotiating accession to GATT but are not presently participating in the Uruguay Round, may, upon request, be associated with the activities of the Uruguay Round in accordance with the following guidelines:
  - The acceding countries and territories will be invited to be present, without participating in the deliberations, at the formal meetings of the officially-established bodies of the Uruguay Round and further bodies that may be officially established.
  - The acceding countries and territories will not be entitled to table offers or other documentation for circulation to the participants.
  - The acceding countries and territories will have access to the Reports or Minutes of the meetings of the Uruguay Round bodies at which they will be present. These documents are currently circulated in the following series: MTN.TNC, MTN. GNG, MTN.GNG/MA, MTN.GNS and MTN.SB."

41. The Committee so agreed<sup>1</sup> and took note of the statements.

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<sup>1</sup>The following countries and territories were immediately affected by this Decision: Albania, Bulgaria, Ecuador, Mongolia, Nepal, Panama, Russian Federation, Saudi Arabia, Slovenia and Chinese Taipei. On 4 August 1993, the Chairman wrote to these countries and territories to inform them of the Committee's decision and invite them to inform him of their intention.