

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee
Group of Negotiations on Goods

TRADE NEGOTIATIONS COMMITTEE / GROUP OF NEGOTIATIONS ON GOODS

(Joint meeting of 3 December 1993)

1. The Trade Negotiations Committee (TNC) and the Group of Negotiations on Goods (GNG) held a joint meeting — thirty-fifth meeting at official level in respect of the TNC — on 3 December 1993, under the Chairmanship of Mr. Peter D. Sutherland, to conduct an evaluation of the results to date of the Uruguay Round as provided for in the Punta del Este Declaration (Section G, last paragraph), and to review the state of play in the negotiations.
2. The Chairman said that the format of the joint meeting of the TNC and the GNG was intended to enable participants to address all aspects of the Round. Commenting on discussions being held that week between the United States and the Community, he said available information indicated that they hoped soon to be in a position to announce results. Both also recognized that an agreement between them would represent only part, albeit an important one, of the final effort to bring the Uruguay Round to a successful conclusion. He had indicated to them that they should report on their results at the earliest opportunity in Geneva, and negotiate further with the more than 100 other participants, whose interests also had to be assured and accommodated. He underlined once again the multilateral nature of the process. Not only was nothing agreed until everything was agreed, but agreement should also extend to the other participants and not just to the major trading partners. He stressed, in particular, that the system had a responsibility towards the developing countries, especially those having undertaken autonomous reform measures.
3. While the evaluation was the collective responsibility of the participants in the negotiations, the Secretariat had, at the request of a number of participants, circulated a factual background paper on the proposed Uruguay Round Agreement, based on the information available as of 19 November (MTN.TNC/W/122). The paper covered two principal areas: market access for goods and services, and the proposed new rules, procedures, and institutional arrangements, including provisions for special and differential treatment for developing countries. The contents of individual requests and offers or the specific benefits for individual countries or groups had not been considered, and participants had to keep in mind that the continuing intensive market access negotiations could lead to further improvements to the results already on the table. The Secretariat paper, however, was not the focus of the debate. The important purpose of the meeting was a dialogue between participants, and in order for it to be an effective contribution at this stage of the Round, he urged all to be realistic, and as specific and constructive as possible.

4. The representative of Malaysia, speaking on behalf of the developing countries, noted the dynamic nature of the evaluation in view of the continuing evolution of the negotiations, and that ultimately, each country would have to make its own individual evaluation. Although there were positive indications for market access generally in the goods sector, access for a number of product groups of specific interest to developing countries still needed to be addressed. When the developing countries had agreed to discuss the "new" areas of services, TRIPs and TRIMs, they had done so with the expectation that the world trading system would cover the needs and interests of developing countries seeking to be more meaningfully integrated in the world trading system. They had therefore participated constructively in negotiations on the new areas, and hoped to be able to benefit in the longer term from the greater stability and predictability in world trade that the new obligations thereon would generate. If developing countries were to benefit from market access offers, certain rules of the game should not ultimately be changed, which would negate the possible gains they hoped to achieve. In this respect, proposed amendments to texts on anti-dumping and financial services were two main concerns in the final days. Developing countries considered that the Draft Final Act (DFA) with a minimum of amendments was a good basis for a package. Further improvements in market access for goods and services could always be made as part of a post-Uruguay Round agenda, and it was important at this stage not to derail but to build upon what had been achieved thus far. It was important too that countries not be faced with a take-it-or-leave-it situation at the end of the day, with no room for further negotiations. In this connection, he would recall the potential world income gains from completing the Uruguay Round, such as the US\$217 billion estimated by the OECD and the US\$230 billion estimated by the Secretariat. A successful completion on 15 December would permit these benefits to be realized.

5. The representative of Egypt, speaking on behalf of the African countries, said that the evaluation of the results of the Uruguay Round should form the basis of corrective measures and that this exercise should consequently continue until the end of the negotiations. The Secretariat's paper was a good basis for analyzing the Round's results, although the broad nature of the product categories and the general nature of the analysis made it difficult for specific regional groupings of developing countries to assess the costs and benefits to them. Furthermore, the erosion of preferences had not been taken into account in the estimates of world trade and income gains. The Secretariat had also not related the offers on reductions in tariffs to preferential treatment, undermining a comparison between the pre-and post-Uruguay Round situations. Preliminary studies made for the African countries indicated a loss of preferential margins in the United States' market for all items, excluding oil, of 32 per cent in trade-weighted terms and 40 per cent in simple average terms. The percentage loss of preferential margins was higher in the Community's market, as well as in the markets of Japan, Canada, the Nordic countries and other preference-giving countries. The impact of the market access results was bleak given the currently modest export capabilities of the African continent.

6. He noted that price rises for basic foodstuffs on world markets were anticipated to follow liberalization of measures affecting trade in agriculture. The majority of African countries, including Egypt, were net food importers, and were consequently "net losers" from this aspect of the Round. They had repeatedly stated this concern and had requested that the Declaration on food-importing countries be reinforced and made into an operational rather than a "best endeavours" clause. As to the results in the services area, these were not favourable to the African countries as the commitments on movement of personnel were largely restricted to managers and executives. The overview of initial commitments on services in the Secretariat's paper did not reflect the real degree of liberalization in this sector as most of the gains would accrue to developed countries. He wondered whether this result could be considered equitable or satisfactory to developing countries in general and the African countries in particular.

7. It was disheartening but true to state that Africa was benefiting the least from the Uruguay Round, not to speak of being a net loser as the impact on both imports and exports tended to be negative. The Secretariat's estimates of income gains implicitly recognized this fact but suggested that the cake was sufficiently large for others that African countries would not fail to collect the crumbs or the spillovers. The hypothetical argument of trickle-down by the Secretariat was not a serious evaluation of the implications of the Round on the African continent. The outcome of the Round was intended to be a single undertaking with a balanced qualified outcome.

8. In spite of their anticipated losses, African countries were supporters of the multilateral trading system. This proved their attachment to and belief in an international trading system which should be equitable and not sacrifice the weaker partner that was Africa. He would note, in this regard, that the provisions for special and differential treatment in the DFA were framed only in terms of longer time periods to assume obligations. African countries, however, were implementing severe adjustment and structural reform programmes, and their people were making enormous sacrifices. They had, furthermore, undertaken far-reaching and unprecedented unilateral liberalization measures. In light of this, to impose additional burdens and sacrifices on them as a result of the Round would be unfair, and supplementary offsetting measures of special preferential and differential treatment to compensate the African countries should be found to help them redress the imbalance. As regards attempts to include environment in the negotiations, this would lead to a further imbalance at this late stage. The environment could, however, be among the main topics in a post-Uruguay Round work programme.

9. The representative of Mexico, speaking on behalf of the Latin-American and Caribbean countries, noted the dynamic and continuous nature of the evaluation process in the final days of the negotiations. In assessing the results, the important contributions made by developing countries in areas of interest to developed countries, such as services and intellectual property, needed to be taken into account. Reciprocal gestures were owed in areas of particular export interest, including agricultural products, tropical products, natural resource-based products, and textiles and clothing. To date, the reductions that had been offered in these product categories were well below the objectives established at Punta del Este and Montreal, without accounting for the fact that the overall averages masked significantly lower or non-existent reductions for products of particular export interest to countries in their region. The situation needed redress.

10. It was important to protect the agreed texts on rules. Certain delegations intended to alter the balance that had been achieved in the texts, and the manner in which the question developed was vitally important to the success of the Round. In particular, the proposed changes to the texts on anti-dumping, and sanitary and phytosanitary regulations could annul the benefits from the concessions made in the areas of industrial and agricultural products. There was no point in reducing or eliminating tariff and non-tariff measures if these were replaced by anti-dumping duties imposed in an arbitrary manner, or by commercial barriers disguised as sanitary or phytosanitary measures.

11. The evaluation exercise provided for in the Punta del Este Declaration was intended "to ensure the effective application of differential and more favourable treatment, taking account of all matters of interest for the developing contracting parties". Their countries were preparing their own assessment from the perspective of their interests, bearing in mind that the results of the Round should ensure the effective application of special and differential treatment, non-discrimination, the elimination of managed trade and unilateralism, as well as the creation of the Multilateral Trade Organization and the strengthening of the dispute settlement system. The background paper of the Secretariat was useful for this purpose, although it lacked information on autonomous liberalization measures undertaken

by developing countries as a whole, and by the countries of Latin America and the Caribbean in particular. They reiterated their willingness to achieve results that would lead to a speedy and successful conclusion of the Uruguay Round.

12. The representative of India said that considerations such as world trade and income gains, and the benefits obtained from unilateral liberalization irrespective of reciprocal concessions, should be left aside in the process of evaluation. The basis on which participants would be able to convince their domestic constituencies of the benefits from the Uruguay Round was the balance sheet of "gains" and "losses" in terms of concessions made and concessions received. He noted that a major transformation of rôles had taken place since December 1990; those participants which had been reluctant at that time were now in the forefront, and the then leaders were now the ones which were reluctant. India had offered a trade-weighted average reduction for tariffs on goods of 55.2 per cent, but had received concessions of 34 per cent on an overall basis, with much lower reductions by its two largest trading partners. The Punta del Este Declaration provided that the developed countries would neither expect nor obtain reciprocity in the exchange of concessions, but the actual situation was the reverse. India had made concessions, but had not obtained concessions to the same extent in areas of particular export interest, such as textiles and clothing, carpets and leather products on which concessions were below the average. In absolute terms, the reductions in tariffs offered by India were much higher than the concessions being made. Regarding non-tariff barriers on exports of textiles and clothing, the fact that most quotas would be liberalized at the end of the ten-year integration process for the MFA made the process more of an illusion than a reality. A semblance of balance on market access could be restored before the end of the negotiations by rectifying the imbalance in the Agreement on Textiles, but discussions with trading partners on this matter had not progressed.

13. Regarding services, developing countries, including India, had made significant offers, but developed countries had been reluctant to make certain concessions on the movement of personnel, an area of particular interest. In addition, demands for derogations had been made that were wholly inconsistent with the GATS. Very significant contributions had been made on TRIPS by developing countries, including India, by agreeing to the introduction of a universal and uniform set of standards. It would be necessary to clarify several of India's concerns in the form of interpretative notes in order to overcome domestic political problems standing in the way of the acceptance of the Agreement. Regarding the texts on rules, India shared the concerns of previous speakers that changes being sought would not permit the realization of benefits that had been secured. In the closing days of the negotiations, it was important to devise a means to enable developing countries to secure the concessions they were seeking.

14. The representative of Norway, speaking on behalf of the Nordic countries, noted the preliminary nature of the evaluation exercise and the further improvements in market access developing countries could expect in the final days. The Nordic countries were convinced that the results of the Uruguay Round would represent an important impetus to the world economy and would lead to increased world trade and income. This conclusion was confirmed by the Secretariat's estimate of a world income gain of US\$230 billion, of which US\$80 billion was obtained by the developing countries. These estimates indicated the magnitude of possible benefits, but gains would not be evenly distributed within the group of developing countries due to its heterogeneity. The two main sources of estimated gains were a more efficient use of domestic resources and increased market access. These estimates did not include the benefits of a uniform set of rules and a dispute settlement mechanism, which would enhance the predictability and stability of the conduct of international trade, of particular benefit to nations with limited resources.

15. The Secretariat had estimated a 12 per cent rise in world merchandise trade by the year 2005 as a result of the market access package. Although many developing countries were unhappy with the offers being made on textiles and clothing, the estimated increases in trade were the largest for textiles and clothing, at 34 and 60 per cent, respectively, due to the phase-out of the MFA. The Nordic countries shared the concerns of many developing countries regarding fish and fish products. A substantial reduction in tariffs for these products, without a link being made to access to resources, would significantly improve the value of the market access package for a number of countries.

16. The new multilateral rules and disciplines for measures affecting trade in agriculture would have significant effects for many developing countries. The Secretariat had estimated a 20 per cent increase in trade for agricultural, fish and forestry products by the year 2005. The price rises for basic foodstuffs on world markets that were anticipated to follow liberalization of measures affecting trade in agriculture would have a positive effect on the terms of trade and income of net food exporters, but would adversely affect net food importers — notably some of the least-developed countries — and the overall effect on developing countries was consequently mixed. However, it was to be noted that the food-importing least-developed countries were not required to undertake any commitments in any area.

17. While the services sector was often described by developing countries as one of export interest only to developed countries, the Nordic countries believed that the actual situation was more diversified. The new rules on services under the GATS would introduce a predictability and security that could lead to a substantial increase in foreign investment in developing countries. Moreover, all countries had made at least limited offers for the movement of personnel, and the key sectors of tourism, transport and computer services were included in most developed countries' schedules. Developing countries stood to gain from the more efficient and less expensive services that would follow liberalization in the developed countries.

18. Summing up, the Nordic countries believed that the negotiations had to a large extent taken into account the special needs of the developing countries. Special and differential treatment for developing countries had been granted through, among others, prolonged implementation periods, with more favourable treatment to least-developed countries. The potential for adverse effects on least-developed countries was a concern, in particular those dependent on a single commodity for exports and who were also net food importing countries. To the extent that such cases existed, sufficient flexibility had been introduced in the texts for these countries to be compensated in other areas. It therefore seemed that there were no real losers, but that some countries were bigger gainers than others. The Nordic countries agreed with previous speakers that time was short and that it was important to multilateralize the process of negotiation.

19. The representative of Bangladesh, speaking on behalf of the least-developed countries, noted that these countries had not seen the offers of other participants, unlike other speakers, and therefore had to rely on the analysis prepared by the Secretariat for the evaluation exercise. Regrettably, few of the figures presented in the background paper referred to the least-developed countries as a group. It was for instance estimated that implementation of the market-access package would make a substantial contribution to world income, but no figure was provided for the effects on their countries. The net food-importing least-developed countries were likely to experience difficulties in financing normal levels of commercial imports. The Secretariat's analysis confirmed the vulnerability of their countries as virtually all were dependent on a single product category for the majority of their export earnings. Although reductions in m.f.n. tariffs provided opportunities for an expansion of exports, it was difficult

for their countries to take advantage of these cuts due to their limited export capabilities. The developed countries had offered an average reduction of 38 per cent for imports from all sources, but the figure for imports from the least-developed countries was only 19 per cent as a result of the below average offers on textiles and clothing, and fish and fish products. This situation could be remedied by giving special treatment to their exports of these two product categories. Because the least-developed countries appeared to generally be losers from the Round, a mechanism should be found to correct the situation. While they had made proposals, insufficient progress had been made to date on the resolution of outstanding issues.

20. The representative of Chile noted the greater security to traders and investors from the higher proportion of bound tariff lines in industrial product categories. The reduction on tariffs on industrial products of 38 per cent met the objective established in Montreal, and this target was also met for the offers made by the Community and Japan on imports from Chile, but was slightly below for the United States. However, the reductions for textiles and clothing, and fish and fish products, were significantly below the average, which confirmed the need for participants to improve their offers. On non-ferrous metals, Chile urged the Community to improve its offer by following the harmonization proposal. Regarding agricultural products, Chile noted the high proportion of tariff bindings for both developed and developing countries. However, the offers made by several developed countries were difficult to assess because they did not fully comply with the provisions of the DFA with regard to comprehensive tariffication, minimum access or to the modalities established for the computation of tariff equivalents and tariffication of minimum prices. Bearing in mind these difficulties, the overall percentage reduction on products of interest to Chile -- mainly fruits and vegetables -- was 35 per cent, but the offers made for these products by the Community and Japan were well below this figure. Tariff escalation in the Community and Japan was also a concern.

21. Although the Secretariat had estimated an increase for world merchandise trade of 12 per cent by the year 2005 following completion of the Round, Chile estimated its trade gains on priority products at only 4 per cent. The Secretariat's estimates were likely to be reduced once the reduction of preferential margins was taken into account. However, the gains in world trade and income, and the boost to growth, were a sufficient argument for the major trading partners to conclude the Round successfully with balanced results, including a good market access package. Granting protection to "sensitive" sectors would not lead to benefits in the long term. Few days were left in the negotiations, and Chile hoped for improved offers on products of particular interest, including agricultural products, fish and fish products, textiles and clothing, and non-ferrous metals.

22. The DFA provided for strengthened rules and disciplines, as well as provisions for special and differential treatment for developing countries. The framework agreement was a balanced result of the negotiations, and greater transparency and predictability would be brought to the multilateral trading system. Chile was therefore opposed to proposed amendments to the texts on anti-dumping, subsidies, and sanitary and phytosanitary regulations. Chile supported the text on dispute settlement, the establishment of a Multilateral Trade Organization and the establishment of the Trade Policy Review Mechanism on a permanent basis.

23. The representative of Pakistan said that the meeting provided an opportunity for an evaluation of the results of the Uruguay Round from the perspective of the largest number of its participants, and the process should lead to corrective action before the end of the negotiations. The purpose of the evaluation, as described in the Punta del Este Declaration, was to "ensure effective application of differential and more favourable treatment for developing countries in terms of the objectives and

the general principles governed in the negotiations". The Round was the first set of negotiations in the history of GATT in which developing countries had participated intensively. Developing countries, including Pakistan, had made substantial contributions to the package of results to date, consistent with their development, financial and trade needs. Among the major elements were the very substantial increase in the scope of tariff bindings; equally substantial reductions in the levels of tariff protection; the significant and substantial commitments offered in services; a willingness to concede the maintenance of extremely high levels of support and protection by the developed countries even at a grave risk of lowering the already weak defenses of developing countries; and a readiness to accept obligations of far-reaching consequence in TRIPs. Counterpart benefits were consequently to be expected and weighed, because one of the basic objectives of the Uruguay Round was "to bring about further liberalization and expansion of world trade to the benefit to all countries, especially the less-developed contracting parties".

24. Regarding the overall trade-weighted reductions on tariffs being offered by the developed countries, the figures were lower for developing countries than for imports from all sources. In addition, reductions were below average on products of particular interest to developing countries, such as textiles and clothing; leather, rubber, footwear and travel goods; and fish and fish products. For textiles and clothing, the most important source of export earnings for developing countries, the post-Uruguay Round tariffs would remain the highest, with 48 per cent of imports from developing countries facing tariffs over 10 per cent, and 19 per cent facing tariffs over 15 per cent. Tariffs on the category of leather, rubber, footwear and travel goods would also remain substantially higher than the general average. Finally, tariff escalation would rise for industrial products.

25. The Secretariat's assertion of benefits from the elimination of quantitative restrictions was theoretically correct, but overlooked the fact that the MFA was a derogation from the GATT and that "grey-area" measures were inconsistent with GATT obligations. Whether the removal of illegal measures should be counted to the credit side on the balance sheet for developing countries was questionable since these restrictions had unfairly deprived them of the benefits that were their rightful due. Furthermore, the elimination of MFA restraints was a lame justification for maintaining the highest level of post-Uruguay Round tariffs on textiles and clothing products. These results were not in keeping with the true spirit of special and differential treatment, or the Uruguay Round objective of benefits "especially for less-developed contracting parties". It was to be noted that quota modulations under the agreement on safeguards could produce potential barriers for trade of developing countries as the implementation of the Round proceeded.

26. Regarding the offers of Pakistan's trading partners, the trade-weighted average reduction on tariffs for products exported to the Community amounted to only 22 per cent, whereas for the United States, the figure was just 17 per cent. In addition, the integration scheme for the MFA did not measure up to legitimate expectations, the disciplines on agricultural products of particular interest — cotton and rice — were uncertain, and the commitments on the movement of natural persons were meagre. Corrective action was necessary.

27. The representative of Nicaragua agreed with previous speakers on the need to preserve the existing balance in the texts on rules. Nicaragua supported the establishment of a Multilateral Trade Organization and the introduction of an enhanced dispute settlement mechanism. Results on market access were discouraging. The Community's offer of a 20 per cent reduction on tariffs on agricultural products and tropical products exported by Nicaragua was below the level called for in the Montreal Declaration, and fewer trading opportunities would be available for sugar, meat and bananas. Nicaragua

27. The representative of Nicaragua agreed with previous speakers on the need to preserve the existing balance in the texts on rules. Nicaragua supported the establishment of a Multilateral Trade Organization and the introduction of an enhanced dispute settlement mechanism. Results on market access were discouraging. The Community's offer of a 20 per cent reduction on tariffs on agricultural products and tropical products exported by Nicaragua was below the level called for in the Montreal Declaration, and fewer trading opportunities would be available for sugar, meat and bananas. Nicaragua intended to improve its offers on services and industrial products, in spite of its fragile economic situation and the discouraging results on market access to date, and urged its major trading partners to improve their offers.

28. The representative of Korea noted that the Uruguay Round was anticipated to have an overall positive effect on world trade and income, and lead to higher world growth. However, the Secretariat's background paper emphasized the bright side of the Round, neglecting its possible negative impact on the developing economies. Korea believed that the evaluation, which was taking place at a crucial juncture, should consider the question of whether the DFA and offers on market access reflected in a balanced manner the interests of both developing and developed countries. The developed countries were offering better market access on industrial products to each other than to developing economies. Reductions that were below the average for industrial products and the Montreal target had been offered for textiles and clothing, fish and fish products, transport equipment, leather, rubber, footwear and travel goods. Tariffs would remain the highest on textiles and clothing, and on leather, rubber, footwear and travel goods, two important sources of export earnings for developing countries. In this context, the commitment of developed countries to provide greater market access for exports from developing economies was doubtful, a point that should have been made in the Secretariat's paper.

29. The Secretariat's paper emphasized the benefits of the liberalization of the services sector for developing economies but overlooked the difficulties facing the developing economies. The challenges would outweigh the benefits for developing countries, as was illustrated by the experience of Korea and of other newly industrializing economies with financial services. The liberalization of trade in agriculture would lead to a drastic decline in the level of self-sufficiency of many food-importing countries, such as Korea, and higher import bills for food. The serious damage to food-importing developing countries explained the importance given by Korea to food security in the negotiations, an issue which had to be more adequately addressed in the Agreement on Agriculture.

30. The representative of Brazil noted that improved market access and a strong set of rules were the foundations of a good agreement. On market access, results were not very bright, as was illustrated by its own assessment of the offers for textiles and clothing, and leather and footwear, items on which exports amounted to more than US\$1 billion. On textiles and clothing, the Community had offered to reduce its tariffs by 20 per cent, the United States by 12 per cent, and Japan by 33 per cent. On leather and footwear, a sector accounting for half a million jobs, the Community had offered a substantial reduction of 45 per cent, but the United States had offered only 1.6 per cent, and Japan 3 per cent. On an overall basis, the Community had offered to reduce its tariffs on products of export interest to Brazil by 37.09 per cent — within the targets set at Punta del Este and Montreal — but the offer made by the United States was substantially below target at 23.6 per cent. Japan had offered a reduction of 46 per cent.

31. Brazil and other members of the Southern Common Market (MERCOSUR) had made a substantial contribution by the offer to bind tariffs on industrial products at a ceiling rate of 35 per cent. The members of MERCOSUR were prepared to make an additional contribution, and Brazil

was reached that results were not sufficient, the offers on the most important service sectors would also be withheld.

32. The representative of Venezuela noted that the evaluation provided an opportunity for participants to reflect on ways of improving the market access package, still far from satisfactory. Venezuela had offered to reduce by 30 per cent its ceiling binding, from 50 to 35 per cent for industrial products, leading to an average tariff binding of 31 per cent for almost 90 per cent of its customs tariff. In contrast, its own assessment indicated that the offer made by the United States represented a reduction of 7.2 per cent on products not covered by preferences, the Community's offer amounted to a reduction of 16.13 per cent, and for the four members of the Quad, the reduction was 24.6 per cent. The figures presented in the Secretariat's paper also supported an imbalance in the market access negotiations: the reduction on tariffs applied to imports from developing countries was lower than for imports from all sources, and results were meagre for textiles and clothing, leather, rubber, footwear and travel goods, and fish and fish products.

33. Venezuela shared the concerns of previous speakers regarding the importance of preventing substantive changes to the DFA, particularly in the texts on anti-dumping and subsidies. If the changes proposed by one of the major participants in the negotiations were made, more than one-half of Venezuela's exports would be open to anti-dumping and countervailing duties, and his delegation could therefore not accept such changes. The developing countries had made substantial contributions on services and TRIPs. Corrections were necessary to market access offers made by the developed countries in order to ensure effective application of differential and more favourable treatment for developing countries.

34. The representative of Turkey agreed with the assessment of previous speakers regarding the imbalance between concessions made by developing countries and concessions received. Turkey's draft schedule of concessions for agricultural and non-agricultural products met the Montreal targets and the stipulations of the DFA. The offer on services covered nine of eleven sectors, and the main sub-sectors or activities within each of the nine. For each sub-sector, Turkey had offered bindings on most of the four modes of supply, and for each mode, limits to the application of national treatment had been made for only a small number of cases. The depth of Turkey's offer on services made it comparable to offers made by some developed countries. A final effort by major trading partners was necessary to improve their offers, and bring the Uruguay Round to a successful conclusion.

35. The representative of Hong Kong noted the unsatisfactory results in market access to date, notably with respect to the offers made by its two main trading partners on consumer electronics, and textiles and clothing. He was of the view that a serious evaluation exercise should lead to corrective measures therein. Hong Kong's offer on services was comparable to that of other delegations. It had been prepared to improve the offer, but had been discouraged from doing so by the proposals to undermine the m.f.n.principle in financial services and the national treatment principle in respect of taxation. Hong Kong was concerned by proposals to change the text on dispute settlement by establishing a different standard of review for panels. Regarding the DFA, the provision for quota modulation in the Safeguards Agreement was of concern. The text on anti-dumping was not very satisfactory, but represented part of a finely balanced package, which would be unbalanced by the extensive proposals being made to alter the text. Such changes would reverse the benefits of results on market access, on safeguards, on the removal of quantitative restrictions and on the phase-out of the MFA. Finally, Hong Kong supported the creation of the Multilateral Trade Organization.

36. The representative of Tunisia noted the importance attached by African Trade Ministers to the evaluation exercise in their Declaration adopted at the meeting in Tunis in October 1993, in order to ensure effective application of special and differential treatment for developing countries. Regarding institutional issues, Tunisia and other African countries were deeply concerned by proposals to establish a special committee on the environment without a clear and precise definition of its mandate. Regarding Annex 7 of the draft subsidies agreement, Tunisia was concerned that the use of per capita GNP as a criterion meant that it was among the few African countries excluded from the waiver granted by the provisions of Article 27.2 of that agreement. Regarding Article 65:4 of the TRIPs agreement, the transition period provided for developing countries was too short to enable Tunisia to adapt its legislation. The success of the far-reaching measures of autonomous trade liberalization Tunisia had undertaken depended on the existence of a stable, predictable and open multilateral trading system. Unfortunately, market access offers were unsatisfactory for certain product groups of export interest and tariff escalation would rise for industrial products. Of particular concern in the area of agricultural products was the treatment of olive oil, an important item in exports. On the import side, Tunisia was a net food-importing country, and urged that more attention be given to the situation of such countries. Tunisia had made an offer on services, but was disappointed by the offers that had been made on the movement of personnel.

37. The representative of Morocco shared the view that the conclusion of the Uruguay Round would have a beneficial effect in the long-term on world income, which would benefit all participants to some degree. His delegation also agreed that autonomous liberalization benefitted the liberalizing country. Morocco had substantially reduced protection in its offers for industrial and agricultural products. While the benefits of autonomous trade liberalization were enhanced by improved market access in trading partners, offers to date were not satisfactory on products of particular export interest, such as textiles and clothing; leather, footwear, rubber and travel goods. Morocco shared the concerns of previous speakers on the need to protect the fragile balance that had been achieved on rules, and on the need to prevent derogations from basic principles in the services agreement. The third revision of Morocco's offer on services represented a substantial concession, including the automatic application of national treatment to all specific sectors listed in the draft schedules. Morocco supported a strengthening of the multilateral trading system to ensure the security of concessions. The evaluation process was a dynamic one in view of the progress that needed to be made on outstanding issues. Such dynamic evolution should be taken into account

38. The representative of the European Communities said that an agreement had been reached between the United States and the Community at their Brussels meeting, which would be refined and extended in further talks and made available to other participants the following week. Considerable work remained to be done, however, to achieve a global accord that would take into account the needs and sensitivities of all participants. He hoped the agreement between the United States and the Community would facilitate, rather than complicate, the difficult negotiating process that remained. The Secretariat's background paper was a valid reference point for the evaluation exercise. While the evaluation should clearly be global and collective, each participant would, in the final analysis, have to draw its own conclusions and make its individual calculations.

39. The developing countries could not be treated in the negotiations and in their results in a uniform and homogeneous manner. The Community had demonstrated a solicitude for the concerns of the developing countries in specific instances. Such a solicitude had its limits, however, and such measures could not, in effect, put into peril the continuity of the multilateral system and should preserve the intrinsic and dynamic value of special and differential treatment. The Community's contractual relations

with the ACP countries were an extremely sensitive link, which it would be advisable not to attack or undermine. These preferential relations had not prevented the Community from proposing and implementing, since the Mid-Term Review in Montreal, its offer on tropical products, which represented certain sacrifices for the ACP countries. In the area of rules, the Community had already made it known that it would not apply the régime envisaged for developing countries to certain among them that it had specifically named, a point on which the Community remained determined.

40. It was clear that while failure in the Round would be costly for all, it would be especially so for the economies of developing countries. In the event of a success, on the other hand, one could go on endlessly about the value and volume of benefits that would result. The most important benefit, however, would be the security of trading relations, a condition that was essential for development. The rules under negotiation were therefore extremely important as they constituted the support system for the smaller and the weaker countries, as well as for developing countries. But beyond the rules, real and measurable results in market access were essential for developing countries. No one could deny that areas of interest to developing countries such as textiles, bananas, rice and fruit juice, among others, while difficult, would have to be taken into account nevertheless, whatever the sacrifices involved. It was important, in this regard, to recognize that for the first time in GATT negotiations, developing countries had undertaken commitments to bind their tariffs on industrial products, on up to 65 per cent of the tariff lines concerned. The impact of these commitments on South-South trade, which represented the future for developing country trade growth and needed to be speeded up, had not been spelled out in the Secretariat's paper.

41. A remarkable turnaround had been witnessed in the services sector since 1986, with the ardour of the developed countries, which had pushed hardest for its inclusion in the Round, having dropped dangerously, while the developing countries, having initially resisted this sector's inclusion, were now seeking a good agreement and had played their part. They should not be deceived by a weakening of the services agreement, or by invalidating its contents through a short-term view on two of its basic tenets, namely, m.f.n. and national treatment. All were inclined to seek easy solutions through exemptions and waivers in areas of their interest. These temptations should be resisted courageously so that damaging errors that would be fatal to the framework in the future were not made. All service sectors included in the negotiations should be covered in initial commitments, without any exceptions. Easy solutions and exemptions should be resisted by all, whatever the sacrifice. The Community, for its part, would make every effort in this regard. In conclusion, the Chairman should exercise with courage his rôle of conciliation and synthesis aimed at producing a compromise on the basis of the understanding that no one could accept, or obtain acceptance for, results which had the effect of making his country receive less than it did at present.

42. The representative of Uruguay said that his country's main trading partners had not thus far responded adequately to its requests. Uruguay therefore appealed to the United States and to the Community to improve their offers on temperate zone agricultural products, as well as on textiles and clothing products, which were of particular importance for its economy.

43. The representative of Singapore, speaking on behalf of the ASEAN countries, said that the Secretariat's background paper had provided the comprehensive criteria for assessing their countries' contributions to, as well as the likely benefits from, the global trading system. However, while the paper provided the parameters for the analysis of market access in goods, as well as for the services sector, the ingredients vital for a meaningful review were still lacking. Although some of the ASEAN countries' trading partners had submitted offers, many were either incomplete or poor, and had yet

to include offers on products of their particular export interest such as fish and fish products, tropical products and electronics. Furthermore, until the issue of trade in textiles and clothing had been resolved, it would be difficult for many to make a comprehensive evaluation of the total package. The ASEAN countries remained to be convinced that the offers on the table met the objectives established at Montreal. As regards services, their countries had been under enormous pressure to table offers, and had endeavoured to do their best in accordance with the principle of progressive liberalization. Some of their partners, however, were insisting on more. In the area of financial services, they noted an attempt to divide participants arbitrarily into two categories, which not only violated the cardinal principle of m.f.n. treatment, but which might lead others to do the same in other areas.

44. The ASEAN countries shared the concerns of earlier speakers at recent attempts to amend rules in the anti-dumping area, some of which risked undermining the very rationale of the dispute settlement mechanism. While the amendments were said to be vital to assure passage of the Round in some national legislatures, the ASEAN countries would note similar constraints on their side, such as having to justify to their legislatures the weakening of the dispute settlement mechanism, and particularly the provisions in anti-dumping. Clear and realistic rules offered protection against economic power, and participants in the Uruguay Round should resist attempts to change them. All the ASEAN countries had tabled their market access offers, or were in a position to do so shortly, and were ready to improve their offers if the uncertainties created by the United States' proposal on financial services were removed. In contrast, they were still waiting for the United States' offer in services, promised daily for the past ten days.

45. The representative of Nigeria said that unprecedented pressure had been brought to bear on developing countries to compromise the agreed principle that their contributions should be consistent with their level of development. There had also been an assault on preferential trading arrangements resulting in an erosion of preferential margins, which had been compounded by a refusal on the part of Nigeria's trading partners to improve their offers, or to recognize autonomous liberalization measures unless they were bound in GATT. The acquisition of knowledge and expertise in several areas of importance to developing countries had been made difficult on the grounds that they represented "sensitive" technology, and there was a concern that the TRIPs agreement would institutionalize this situation. In the area of TRIMs, disciplines were being imposed on investment measures, while restrictive practices of transnational corporations had not been addressed. Moreover, the time-bound exemptions provided for in the DFA as a means of aiding developing countries were either inadequate or in the nature of a "best endeavours" commitment. Nigeria was also concerned that negotiations had not addressed the particular situation of the severely indebted low-income developing countries, particularly in Sub-Saharan Africa. The latter's concerns should be addressed either through a declaration or an adjustment to strengthen their capacity to be fully integrated into the world economy.

46. Nigeria had an important interest in agriculture, and called for a stronger commitment in the DFA to address the adverse effects of higher prices on net food-importing developing countries following the liberalization of trade in agriculture. It also called on trading partners to respect Ministerial commitments regarding the fullest liberalization of trade in tropical products, both in processed and semi-processed form. Regarding the TRIPs agreement, the procedures and remedies provided for national laws to conform to agreed intellectual property rights could not be enforced effectively by Nigeria without technical assistance. Nigeria believed also that the transitional provisions in the current text were inadequate and should be extended. For its part, Nigeria had enacted domestic laws for the protection of intellectual property rights and had demonstrated its commitment to protection of such rights at the international level by acceding to the Paris and Berne Conventions.

47. Nigeria was expected to undertake unrealistic commitments in services, not consistent with its trade, development and financial needs. The provision in the agreement relating to progressive liberalization would form the basis of subsequent concessions by Nigeria in future rounds of trade liberalization. Nigeria had not participated in plurilateral consultations on maritime and telecommunication services, but hoped that these would result in a fair and balanced outcome. It had made requests regarding the movement of personnel, which it hoped its major trading partners would take into account. On institutional issues, Nigeria supported the establishment of the Multilateral Trade Organization. As regards the environment, this was not part of the Punta del Este mandate and should be set aside for the moment in the interests of meeting the deadline of 15 December. If an agreement on this issue was forced, however, one would need a proper definition of what was intended and a justification for it. In this connection, Nigeria wished to note that work done in the area of exports of domestically-prohibited goods had been blocked by one country on the grounds that GATT was duplicating functions performed by other organizations in the area of environment. That same delegation was now pushing for an agreement on the environment to be part of the Uruguay Round results. If this was going to be the case, then the conclusions of the Working Group on the export of domestically-prohibited goods should also be adopted. Finally, in view of the work yet to be concluded on telecommunications, steel, government procurement, maritime transport services and tropical products, he urged that the evaluation process continue into March 1994. If by that date it appeared that more needed to be done, the duration of the Ministerial Conference in April 1994 should be extended, and the possibility of a meeting of senior officials be considered to improve further the text of an agreement prior to the Ministerial meeting.

48. The representative of Côte d'Ivoire expressed concern at the substantial erosion in contractual preference margins that most African countries had benefited from, either under the Lomé Convention or under bilateral agreements with the Community. Preliminary evaluations had also shown that tariff escalation remained largely intact and continued to be a substantial obstacle to exports of processed tropical products in third-country markets. The negative effects of agricultural reforms on the net food-importing countries was also of concern, a pragmatic solution to which needed to be found. The African countries were unable to make a favourable short-term evaluation of the market access results, even if the new conditions of access permitted them to examine longer-term possibilities for the diversification of their exports. The consolidation of trading rules and their strengthening by new disciplines were positive elements. The provisions for differential and more favourable treatment negotiated in practically all areas should make it possible for the African countries to participate more fully in the system, even though this treatment did not remedy the existing imbalances among them, particularly with respect to the least-developed countries. Agreements in the new areas were also positive, as these might accelerate the transfer of technology and attract investments to their countries. On institutional issues, the African countries supported the new provisions concerning dispute settlement and the establishment of a Multilateral Trade Organization.

49. The representative of Canada said that the Secretariat's paper underscored the value to developing countries of the new rules governing trade, of the integrated dispute settlement system and of including services in the GATT for the first time. The paper had also concluded that implementation of an agreement based on offers as of 19 November would boost the GDP of developing economies by nearly US\$ 80 billion. Improvements in offers since 19 November would increase that figure. The conclusion was therefore that there was a lot for the developing countries in the negotiations. Canada's offer on industrial products consisted of an across-the-board formula cut and included all sectors, whether of interest to developed or developing countries. The formula resulted in larger reductions for tariff peaks than for lower tariffs. Canada had also proposed the elimination of tariffs on a number of natural

resource-based sectors of interest to developing countries. Its offer on industrial products would result in a trade-weighted reduction of about 50 per cent. Canada had also offered to eliminate duties in other sectors, including products of interest to developing countries such as electronics. However, its ability to implement its offer — or to go beyond it — was contingent upon the completion of a broad package which took into account its key export interests in resource-based agricultural products and fish. Canada recognized the efforts of a number of developing countries to participate substantively in the Round, and acknowledged that many had taken bold steps in offering to bind their tariffs. Canada was prepared to accept bindings by developing countries at ceiling levels, although bindings at levels significantly above currently applied rates for items of key export interest were of concern. The Secretariat's analysis reiterated the theme that open markets brought growth in trade and incomes, not just for developing economies but for all. This should be kept in mind through the coming weeks as all worked to bring about a successful conclusion to the Round.

50. The representative of Jamaica said that results in market access would be the benchmark by which developing countries would assess the Round. Measures to implement tariff reductions should not lead to the erosion of existing preferences enjoyed by many developing countries, including Jamaica, particularly in agricultural products which were very important in total merchandise exports of a number of ACP developing countries. These trading arrangements were crucial for the ACP countries, and this should be taken into account in the negotiations leading to the conclusion of the Round. Another outstanding matter that required attention was a declaration on measures to offset possible negative effects of agricultural trade reforms on the least-developed and net food importing countries.

51. The representative of Tanzania said that the African and the least-developed countries would emerge as net losers in the market access outcome. Additionally, rules and obligations in the new areas would impose further technical, administrative and institutional constraints on their countries. As a result, participants in the Round should adopt positive offsetting measures now in order to address both the outstanding concerns and foreseeable problems of the African countries. As for the least-developed countries, unless a deliberate effort was made to assist them and improve their prospects, the danger of their further marginalization remained real. Other areas deserving urgent action included the problem posed by the erosion of existing preferences, difficulties of net food importers, and measures to enhance the trading capacity of the African countries, and the least-developed in particular. Notwithstanding the projected boost from the Round for world trade in general, the prospect for the trade performance of the least-developed economies remained bleak. The Uruguay Round outcome should take account of this problem and include measures to facilitate the growth and development of trade of least-developed countries.

52. The representative of Mauritius said that its initial evaluation of the prospective Uruguay Round results indicated a negative impact. Although the volume of Mauritius' sugar exports to the Community would not be affected, the proposed reduction in subsidies and support to agriculture might lead to the reduction of the intervention price for sugar, and Mauritius might also face higher prices for its imports of foodstuffs. Its non-traditional agricultural exports such as fruits, vegetables and cut flowers would also be affected. Moreover, being a marginal exporter, Mauritius would be unable to take advantage of the improved market access conditions. In textiles and clothing, Mauritius would have to operate eventually without the safety-net of tariff concessions and quota guarantees, and its privileged access to the Community and the United States would be gradually eroded by competition from low-cost producers. Consequently, and as a preliminary evaluation, its country would lose in all areas, and the Round could well be an unmitigated disaster for Mauritius. Mauritius was fully in favour of a

balanced, equitable and just agreement, and sought the Chairman's assurance that the final agreement would indeed be so.

53. The representative of Zimbabwe said that African countries would be losers under the current package of Uruguay Round results, and that the major trading partners would need to address this problem and redress the situation. Zimbabwe was one of many developing countries that had submitted, in line with its level of development and in addition to its autonomous liberalization measures, substantive offers on both goods and services. In contrast, the modest requests it had made on natural resource-based and tropical products had received a negative response from its trading partners. Zimbabwe had aimed at achieving a diversification of its markets as well of its export products. The results, however, were that Zimbabwe would lose the little preferential trade it had, and face closed markets when it looked for alternatives. In the rules and institutional areas, Zimbabwe would find it difficult and costly to implement obligations with regard to the new legal, administrative and policy provisions in the areas of TRIPs, TRIMs and the relevant Tokyo Round agreements, and pointed to the need for technical and financial assistance. Rebalancing measures might need to be taken before the end of the Round to satisfy these concerns, as African Governments also needed to convince domestic policy institutions that the package would complement and not inhibit fundamental structural and developmental reforms in their countries.

54. The representative of Bolivia said that her country's modest and realistic requests in the market access area, of great importance for its small-and medium-sized industries, had either not been replied to or not met the objective of a 33 per cent cut in tariffs. Bolivia hoped that improvements would be forthcoming in this regard. Bolivia had constantly shown its willingness to undertake commitments in market access as well as in TRIPs, TRIMs and services, and would note there was an imbalance in the services area because of its limited export capacity. In the area of rules, Bolivia believed it was important not to alter the agreed DFA texts, in order to maintain balance, transparency and the deadline. It also supported the establishment of a Multilateral Trade Organization.

55. The representative of Peru noted the preliminary and partial nature of the Secretariat's analysis, given that it was based on information that could change in the coming days. In addition, account had not been taken of the manner in which developed countries had already been benefiting from the greater openness, predictability and access in many developing countries. On market access, Peru considered favourably the tariff reductions on natural resource-based products by its main trading partners, and, to a lesser extent, those on tropical products. However, there was a very marked imbalance in respect of textiles and clothing, and fish and fish products — two important areas for Peru — on which reductions were well below the objective established in Montreal. Peru hoped to see substantial improvements in these areas.

56. The initiative by one participant in the financial services area was of concern, and created a barrier to further liberalization in the services area generally. Peru was also concerned at proposed amendments in areas such as anti-dumping. A positive evaluation of results in the rules area could only be made if the negotiations resulted in clear and well defined rules that allowed for no interpretative ambiguity. With regard to the situation of the net food-importing countries, Peru believed that the existing balance in the current agricultural text was unsatisfactory and that, as a result of the evaluation exercise, this text should be improved substantially. Finally, Peru wished to note that in the Punta del Este Declaration, the link between the improvement of the trading environment and the ability of indebted countries — such as Peru — to confront their financial obligations had been emphasized. These links were not, however, being clearly identified in the results of the Round. For Peru, which

had submitted various initiatives on this matter at the beginning of the Round, it was of particular importance to ensure that these links were clearly recognized in a Ministerial Declaration, and policy recommendations adopted, which would enable the indebted countries to use a new international trading framework to overcome their financial problems.

57. The representative of Australia said that one feature of the Round had been the unprecedented participation of developing countries which had taken place across all areas of the negotiations and not just those of traditional interest. It was important, therefore, that the Secretariat had taken a similar across-the-board approach in its analysis, and had included rules and services issues as well as market access. In relation to market access, positive and liberalizing outcomes in traditional areas of importance to developing countries, such as textiles and clothing, agriculture and natural resource-based products, and in particular manufactures, such as electronics and machinery, would be important specific gains for developing countries in the Round. Australia had shared interests in good results in a number of these areas. Developing countries also had a vital stake in a strong rules-based trading system, given the increasing importance of trade in addressing development issues, and the rôle that trade policy played in fundamental economic structural reform. It could also be expected that developing countries would increasingly look to GATT dispute settlement mechanisms to protect their trading interests. One of the best ways of ensuring effective outcomes from the Round for developing countries would be to conclude it within the next ten days.

58. The representative of the United States said that the trade-weighted average reductions on industrial products by developed countries were substantial no matter how they were calculated. If fish and fish products and textiles and clothing were excluded, the resulting percentage tariff reductions were roughly equivalent for products imported from each of the three groups of countries indicated in table 16 of the Secretariat's paper. The United States had supported efforts to harmonize fish tariffs at low levels, and although some of its trading partners had declined to participate in that effort, the United States continued to negotiate bilaterally on tariff reductions in this area. The textiles and clothing area was clearly much more significant for developing countries. While the current offers of tariff reductions by developed countries in this area amounted to 21 per cent, the Secretariat's paper indicated that this amount would more than double, on a conservative estimate, when the tariff equivalents of reductions in MFA quotas were also considered. If these tariff-equivalents were incorporated into the overall trade-weighted average tariff reductions by developed countries, the figures would not only increase substantially, but the overall reduction for the developing countries, at least other than the least-developed, would be shown to be significantly greater than the current market access increase for the developed countries. He was aware that there could be arguments about what was and was not equivalent. The United States believed, however, that one had to look not only at benefits to countries, but also at the burden and the costs to those countries that were having to provide increased market access. In this sense, the United States believed that the phase-out of the MFA quotas represented a substantial contribution in terms of benefits to developing countries. As regards the question of whether the evaluation exercise could have any impact on the Round at this point, he noted that the negotiations were not over. He believed that an agreement between the United States and the Community would include a significantly larger market-access package, with some of the increases being in the areas of interest to developing countries. Furthermore, once agreement had been reached between the major participants, market access negotiations among all participants that wished to participate in an effort in the final phase to build up the package even further would take place. The United States intended to engage in that process aggressively and actively over the final week of the negotiations.

59. The representative of Japan said that Japan's offer on industrial products contained about 60 per cent tariff cuts on average, particularly in areas of interest to developing countries. Japan was a major importer of textiles and clothing products from many countries, and the market share of such imports was already more than 45 per cent and still increasing. Nevertheless, Japan had never invoked the MFA, and had made an offer on textiles and clothing products for an average 33 per cent tariff cut, including a 50 per cent cut in many peak tariffs. In the area of electronic products, Japan maintained a zero tariff offer and urged its major trading partners to come forward with similar offers. On non-ferrous metals, Japan, in spite of difficulties, was maintaining its offer based on the harmonization proposal by the United States and Canada, which it hoped would be a major contribution in favour of developing countries. In two other areas of importance to developing countries, i.e., agriculture and fish and fish products, Japan had not been able to submit its Schedule yet, although it hoped to be able to present an improved offer on fish and fish products by the following week. At the same time, Japan had been actively engaged, bilaterally and plurilaterally, in negotiations on a key part of the DFA text on agriculture under the good offices of the Chairman of the Group of Negotiations on Market Access, and hoped that that issue would be resolved as soon as possible. Japan shared the concerns of earlier speakers that proposed amendments to the anti-dumping text, if accepted, would adversely affect the delicate balance contained in that agreement as well as in the whole DFA.

60. The representative of Colombia recalled that his country had made an improved offer on non-agriculture goods which bound at 35 per cent the ceiling rate for a total of 6,900 products. It was that day submitting its DFA-conform agriculture Schedule for all products. However, Colombia was concerned at the Community's lack of willingness to make any progress in the negotiations on bananas. Acute problems affecting not just Colombia but numerous other countries were seemingly being dealt with as if they were irrelevant and not deserving of special attention. The Round was not a negotiation between two major trading partners. Justified expectations of the developing countries in sectors such as textiles and clothing, tropical products, leather and footwear, should be taken into account. Colombia hoped that the evaluation exercise would provide an impetus for progress in areas in which no significant advance had been made thus far.

61. The representative of Swaziland said that Swaziland had a very high level of dependence on exports of agricultural products, and noted with interest the levels of tariff reductions on these products by the developed countries. Swaziland's exports of these products enjoyed preferential treatment in certain of its export markets, and it appealed to preference-giving countries to consider increasing preferential margins such that as the m.f.n. rates gradually approached zero, preferential rates reached zero well ahead of time. This would enable Swaziland's products to be competitive whilst adjusting to the reduction of tariffs as a result of the Round.

62. The representative of Costa Rica expressed concern at the results on market access, which were below the objectives set out in the Ministerial Declarations of Punta del Este and Montreal. This was of greater concern when one considered the substantial contributions made by developing countries in areas of interest to developed countries, such as services and TRIPs. Costa Rica wished to draw particular attention to the situation on bananas, a tropical product which should be subject to the greatest possible liberalization pursuant to commitments undertaken at Punta del Este and Montreal. The Secretariat's analysis of the developed countries' overall tariff reduction offers on bananas, including the tariff equivalents resulting from tariffication, masked the reality of the contents of individual offers, in particular in the case of the Community which was in fact going to increase substantially its already restrictive level of protection. As a result of the tariffication of its GATT-inconsistent measures, the Community was proposing to establish prohibitive tariffs that would, furthermore, be applied to import

levels that did not correspond to their historic levels. The Community had not only not complied with the minimum access commitments for agricultural trade liberalization, but had not fulfilled its commitments on tropical products either. This serious situation should be resolved before the conclusion of the negotiations. Costa Rica shared others' concerns at the new proposals on institutional issues and rules, as well as in the dispute settlement area, which, were they to come into existence, would damage the precarious balance that had been reached. Costa Rica was willing to contribute to the construction of global and balanced results, which should be reciprocated by its trading partners as a necessary condition for all to be able to accept the final results of the negotiations.

63. The Chairman expressed the hope that all countries, developed and developing, had taken careful note of the statements made. Clearly, there was very limited time within which to react, but reaction there had to be. In particular, some areas had been emphasized in which extra efforts were required urgently to improve the general level of tariff cuts for products of current export interest to developing countries. In that respect, some products were particularly important, notably textiles and clothing, leather and related products, fish and fish products, tropical products and electronic products. Also, one had heard a number of calls not to erode the results in the rules area because of their crucial importance to all participants, in particular when it was already difficult for some of them to sell the current package to their capitals. Equally, one had heard positive elements, not merely those referring to the contents of the report prepared by the Secretariat, but also those which pointed to the advantages of the Round that were evident for developing countries. He hoped that note had also been taken of the concerns of the African and least-developed countries, in particular regarding the tariff treatment on products of export interest to them, as well as those of net food-importing countries that were likely to need assistance, particularly in the period of adjusting to a new freer trade régime. Time was short, and was getting shorter. The United States and the Community should therefore conclude their discussions positively at the earliest time possible. He would also ask all participants to consider improvements in the final contents of their offers and to do so significantly and, further, not to weaken the disciplines that were a relevant part in any evaluation of the Uruguay Round and its consequences.

64. The TNC and the GNG jointly took note of the statements and noted that the evaluation exercise envisaged in Section G, last paragraph, of the Punta del Este Declaration had been carried out.