

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee

INFORMAL MEETING OF HEADS OF DELEGATION

9 February 1994

Statement by the Chairman

Introduction

At our last meeting on 20 January I set out an outline programme of work to prepare for the Marrakesh Ministerial Meeting in April. I also summarized the ground rules which we agreed in order to finalize and verify market access schedules and to complete the legal drafting process. I have convened this meeting today because I believe it is opportune to review the state of play of our preparations for the Marrakesh Ministerial Meeting and to have an exchange of views on any issues of concern to delegations.

Market Access in Goods

The deadline of 15 February was firmly established at the TNC meeting on 15 December 1993 for the submission of draft final schedules which must reflect the results of the market access on goods negotiations concluded between delegations on 15 December. While some delegations have indicated their readiness to submit their draft final schedules even before the 15 February deadline, others wish to wait until the offers of the major trading partners have been established. In particular, there seems to be a concern that some major participants purport to regard their offers as still conditional or that there could be withdrawals of certain offers.

I want to emphasize strongly that any such conditionality is, of course, contrary to the express understanding reached at the TNC meeting on 15 December. I believe that we are all entitled to expect participants to act with integrity and to adhere rigorously to the ground rules we have agreed. As I mentioned at our last meeting, although there is room for improvements and expansion of the package, there can be no question of withdrawals or downward adjustments as we cannot risk any down-sizing whatsoever of the 15 December package. I must therefore request all participating countries to adhere firmly to the deadline of 15 February and to submit their definitive and unconditional offers on the basis of the agreements they have reached with their trading partners. I should also stress that the 15 February deadline is critical if we are to complete the verification process in good time by 25 March as we have planned to do. As before, the major trading participants have a special responsibility in this regard. Plurilateral consultations to facilitate the process of verification can be held only after the draft final schedules have been received.

At our last meeting, the Secretariat was requested to assist delegations in the course of the verification process. We have made preparations in this regard and we are ready to assist delegations with analysis of data, both in regard to industrial and agricultural goods. However, the Secretariat will need at least 15 days after submission of the draft final schedules to complete its analytical work. I should stress too that the Secretariat analysis will be factual and will avoid any judgmental evaluation.

#### Market Access in Services

The essential work to be done on services in the period before Marrakesh is the verification and where necessary rectification of schedules of commitments and lists of MFN exemptions. This is the counterpart of the verification exercise on tariff schedules, but the process by which it is being done is somewhat different. This process was announced and in fact described in the Airgram which I issued on 14 January and in which participants were invited to submit questions about the technical accuracy and clarity of schedules and exemption lists of other participants as a reflection of the results of the negotiations. A large number of questions have been submitted and consolidated by the Secretariat in a single list. In a series of meetings which started yesterday the schedules and exemption lists of all participants will be examined, on the basis of the questions submitted and any others which may be raised. The purpose of the meetings is to try to agree on rectifications which need to be made, but of course it is for the government concerned to decide in the last resort whether its schedule should be amended. The process is essentially one of mutual assistance; the group has no power to require changes. The experience of the first day's work suggests that governments are very ready to accept suggestions on ways in which the presentation of their schedules can be improved. The ground rule is that one week after the examination of each schedule, a corrected version should be given to the Secretariat for conversion to the final treaty form in which the schedules will be sent to Marrakesh. It is important to respect this deadline, because the preparation of the treaty copies will take time.

It should be emphasised that this process is not intended to be a continuation of negotiations on the substance of commitments, and it will not be allowed to become so. The multilateral process is necessary and useful because of the complexity of the schedules and the fact that never before has there been an opportunity to examine in detail the commitments governments have undertaken. It is already clear that the technical quality and clarity of schedules will be considerably improved through this process, and that many possible misunderstandings about the content of schedules will have been avoided.

#### Legal Drafting Process

The work by the Secretariat on legal drafting is well advanced. Participants have also been notified of the schedule and timetable to complete this work, which ranges from correction of typographical errors to resolution of legal drafting anomalies without affecting substance. As envisaged in the timetable, it is open to delegations to submit their comments and proposals on legal drafting points to the Secretariat by Friday, 11 February and I would ask any delegation, which may have legal drafting issues to raise, to respect this timetable. As you know, the timetable envisages a meeting with delegations in the week beginning 21 February and the Secretariat will circulate in advance a document listing the changes which are being suggested.

In the course of the legal drafting exercise, two issues have arisen which I would like to bring to your attention today.

Firstly, it appears that we could dispense with one of the decisions contained in the Final Act relating to the extension of the 1989 Dispute Settlement Procedures if, in the meantime, the GATT Council took the appropriate decision to extend the procedures. It will be recalled that the original Ministerial decision taken at the Mid-Term Review called for immediate implementation of the improved

procedures on a trial basis until the end of the Uruguay Round and that subsequently the Council adopted these procedures. Accordingly, a Ministerial decision, as currently envisaged in the Final Act, to extend application of the improved procedures until the WTO Agreement enters into force would seem to be no longer necessary if the Council, perhaps at its next meeting, confirms this extension.

Secondly, the legal drafting exercise suggests that it would be more appropriate to take certain notification requirements currently contained in the Agreement on Textiles and Clothing, out of the latter and into a new decision to be taken by Ministers, again without changing the nature and substance of these provisions in any way. The question is that the Agreement on Textiles and Clothing requires importing member countries to notify before the entry into force of the WTO Agreement the textile products that they intend to integrate at the commencement of the first phase. Since any individual agreement cannot be implemented before the WTO Agreement has entered into force, the most logical way to deal with the matter would appear to be to incorporate the advance notification requirement in a separate Ministerial decision. Consultations are being held on this issue so that delegations can satisfy themselves that no material change is involved.

#### Trade and Environment

The Decision of 15 December on Trade and Environment "agrees to present the programme of work, and recommendations on an institutional structure for its execution, for adoption as soon as possible and no later than the Ministerial Conference of April 1994." Mr. Lavorel has begun bilateral and plurilateral consultations on these matters. I understand that the overall approach of delegations is most constructive and co-operative and that there are many points of convergence. It is, however, too early to attempt to put something down on paper and a number of delegations have indicated that they will be prepared at subsequent consultations to advance concrete suggestions with respect to the work programme. I would like to urge delegations who have not yet conveyed to Mr. Lavorel their comments or suggestions on the work programme to do so. He will continue bilateral consultations with the objective of further plurilateral consultations later in February. On the basis of those consultations I would intend to present a first draft for consideration in early March.

#### Other Ministerial Decisions to be taken at Marrakesh

At our last meeting, I queried the need for a Ministerial Declaration and noted that no delegation thought that such a declaration was necessary. Accordingly, I believe that we can focus Ministerial attention on those concrete decisions that need to be taken in order to implement the results of the Uruguay Round negotiations. It seems to me that at this stage we can identify three such decisions:

- A decision that will facilitate the negotiations on accession to the GATT so as to include negotiations on services schedules. Thus, if acceding countries can complete all of the requirements for accession to the GATT and negotiate market access offers and initial commitments in services by the time of entry into force of the WTO, they will be able to meet the requirements of Article XI of the WTO Agreement and thus become original members.
- A decision setting up an Implementation Committee and a list of the functions that it must perform. This Committee would begin work immediately after Marrakesh and continue until the entry into force of the WTO Agreement.
- The decision, which I have already mentioned, on notification of textile quotas prior to the entry into force of the WTO Agreement.

On the first two matters, you should have before you drafts of the decisions concerned. The first, relating to acceding countries, is titled "Ministerial Decision on the submission of schedules for the purposes of Article XI of the Agreement establishing the World Trade Organisation". The second is titled "Decision on the Establishment of the Implementation Committee for the World Trade Organisation". Mr. Lavorel has held preliminary consultations with delegations on these decisions and several delegations have made a number of useful suggestions which will be reflected in later drafts.

In the light of the outcome of current work within the Secretariat on the administrative and budgetary implications of our preparations for implementation of the WTO Agreement, it seems necessary to envisage the inclusion of additional language on these issues in the decision on the Implementation Committee. I should also mention that in respect of the proposed Headquarters Agreement it seems to me desirable to engage immediately in discussions with the Swiss authorities to establish their interest in hosting the WTO and to clarify the no doubt attractive economic conditions they will wish to offer to the new organization.

While delegations should feel free to make any initial observations, it is not my intention to discuss these preliminary drafts too much but rather to suggest that Heads of Delegation study them and contact the Secretariat with comments and suggestions on the elements to be included in the decisions. Mr. Mercier may be contacted about the decision on the Implementation Committee and Mr. Roessler about the decision on acceding countries or Mr. Lavorel about either decision. My intention is to circulate a revised draft of these decisions later this month.

If there are any other decisions that delegations believe need to be taken at Marrakesh, you should indicate the elements concerned now so that we can discuss them and begin to prepare drafts.

#### Practical arrangements for the Marrakesh Meeting

As you know, I have set up a Secretariat Task Force to prepare the Marrakesh Ministerial Meeting in April. This Task Force works in close cooperation with its Moroccan counterpart appointed by the Host Government.

Yesterday the Moroccan Task Force gave a presentation on what Marrakesh offers in terms of conference facilities, hotel accommodation, transport, offices for delegations, etc. Many Geneva-based missions attended this presentation and, if additional information is needed, the Moroccan Mission and, of course, the GATT Task Force are at your disposal.

I have been asked to remind delegations which have not done so to indicate their wishes on inscription of their Ministers on the speakers' list. We cannot, of course, give a commitment at this stage that we will be able to accommodate all requests especially if there are conflicting requests. Mr. Mercier, as Secretary of the TNC, should be contacted for this purpose.

We should also agree appropriate ground rules, including a pre-agreed time limit for interventions, as proposed in my statement at our last meeting.

#### Other Issues

It has been suggested that we should consider derestricting certain Uruguay Round documentation. If there is no objection to this idea, we could arrange consultations to identify the documents concerned and propose a draft text for future consideration.

Conclusion

In conclusion, I should say that since our last meeting, there is growing momentum to implement the results of the Round sooner rather than later. I understand that a number of major trading partners have been able to clarify their ratification timetable so that the prospects for entry force of the WTO Agreement by 1 January 1995 are now considerably stronger.