

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

C/RM/OV/M/1

2 March 1990

Limited Distribution

---

COUNCIL

11 December 1989

### MINUTES OF MEETING

Held in the Centre William Rappard on 11 December 1989

Chairman: Mr. Rubens Ricupero (Brazil)

#### Overview of developments in the international trading environment

1. Pursuant to the Decision taken by the CONTRACTING PARTIES on 12 April 1989 (L/6490, part I.F), the Council held a special meeting on 11 December 1989 to provide an overview of developments in the international trading environment which have an impact on the multilateral trading system. The discussion was assisted by the Annual Report by the Director-General (C/171), setting out major GATT activities and highlighting significant policy issues affecting the trading system.
2. Introducing the discussion, the Chairman noted that in the Director-General's Annual Report policy developments were analysed against the background of world trade trends. The review was intended to enable the Council to examine aspects of current developments in the trade policy environment which were particularly relevant to GATT's activities. The trade policy developments reviewed in C/171 could help to concentrate the discussion on particular points. Where official notifications were inadequate, the Report relied partly on unofficial information. This had been checked by the Secretariat with the delegations concerned. He encouraged representatives to draw attention to significant changes or points of information which should be made in the document, and to inform the Secretariat of minor changes after the meeting.
3. The Director-General said that the purpose of the Report was to set out major GATT activities and highlight significant policy issues affecting the trading system. He had tried to keep the tone straightforward and direct, in the hope that this would help the Council to have a focused overview of developments in the international trading environment.
4. The Report contained three main Sections, the first dealing with the current economic environment and the outlook for 1990, the second with trade policy developments, and the third with some of the key developments that are influencing commercial policies. These three Sections analysed the developments - both in world markets and in trade policies - which he believed were important and should be included in a discussion of the current trading environment.

5. He also felt that the Report would best serve its purpose if it were kept relatively brief. He saw it as something that should complement, rather than compete with, other GATT documents and publications such as GATT's annual reports "International Trade".

6. Three Appendix tables were placed at the end of the Report. The first two provided a useful reminder of the fact that the current situation was characterized by a variety of developments pulling in different directions - some moving towards more liberal trade, others pointing down a protectionist path.

7. The Director-General said that 1990 would be the most decisive year for the GATT since its founding nearly 42 years ago. Looking forward to that year, he observed that significant and lasting progress in dealing with the challenges facing the trading system could only come from a multilateral effort among the participants in the Uruguay Round. Until the new multilaterally agreed rules are in place, the major trading countries must exercise great restraint in seeking bilateral or unilateral solutions to trade problems, regardless of whether or not the source of the dispute was covered by existing GATT rules. A similar degree of restraint would be essential in instances of new and controversial applications of existing trade remedies. To do otherwise, at a time when the final year of the Round would stretch every country's expertise and goodwill to the limit, would jeopardize the outcome of the Round.

8. He also reminded members of the Council that the time at the disposal of the negotiators was limited. The evolution of trade policies since the beginning of the Uruguay Round involved a combination of continued liberalization in a number of countries and, with some exceptions, a general restraint on the part of governments in responding to demands for increased protection. A good part of this generally favourable trend in policies could be ascribed to the continued strength of the economic expansion and to the increased discipline that governments had imposed on themselves because of the existence of a major multilateral trade negotiation. Thus, contracting parties must take full advantage of the situation and opportunities prevailing to deal with the problems confronting the multilateral trading system and to prepare it for the challenges of the coming decades.

9. The Director-General's Annual Report was generally welcomed as an interesting, factual, balanced, and objective document which would provide valuable assistance to the Council in making its annual overview of developments in the international trading environment. The Report, by highlighting many issues of concern to contracting parties in a concise and pointed manner underpinned by solid economic analysis, covered the spectrum of issues falling within the scope of GATT and the MTNs and provided a good all-round framework for the individual reviews to be conducted under the Trade Policy Review Mechanism.

10. The representative of the European Communities agreed with the cautiously optimistic assessment of macro-economic trends given in the Report. The largest trading nations which were the "motors" of the trading

system were developing well. However, there had been a slowing of the rate of reduction in the United States' budgetary, trade and current accounts deficits, which had major effects on the trading system.

11. The Report showed that there had been considerable restraint in the introduction of new trade policy actions. He welcomed the accession of new contracting parties to the GATT, while noting that the level of concessions made as "entry fees" by recent arrivals was higher than that for earlier entrants. This question should be examined in the Uruguay Round.

12. Trends in the use of dispute settlement were encouraging; there were now no unresolved disputes on hand. Implementation was generally adequate.

13. He wondered whether, although the use of anti-dumping measures had expanded, the emphasis given to these in the Report was not more negative than necessary. In the case of the European Communities, nearly half the complaints presented to the Commission did not reach the stage of investigation; and of those which did, many were either rejected or dropped after bilateral agreement was reached.

14. Use of "Section 301" actions by the United States inevitably attracted wide attention. To the extent that such actions applied to trade in goods, and were therefore covered by GATT rules, they were illegal.

15. He welcomed the description of factors underlying recent trade policy developments given in Section III of the Report, and in particular the information provided on regional trade trends in Appendix Table 3, which showed the development of trade with Eastern European countries. He hoped that the present developments in Eastern Europe would open up further dynamic opportunities for trade.

16. The representative of Brazil noted that Latin America and Africa had not shared in the rapid economic and trade growth enjoyed by other regions. The rapid trade growth in Europe, North America and Asia should also be seen in the context of the Uruguay Round negotiations, which should bring about new options and open new avenues for all. GATT should adjust not only to the new needs of leading trading nations, but should respond to the needs and limitations of other contracting parties which had often been hampered by poor implementation of existing rules. The Uruguay Round should promote greater macro-economic co-ordination among major trading countries, serious imbalances between which had particularly damaging effects on other parties' financial situations.

17. So far, even those elements presented in the Report as positive, such as the rollback undertakings already announced, had either been conditional or the result of Panel reports. Anti-dumping measures had been used as a major protectionist instrument to impede new suppliers from developing countries. The unilateral broadening of anti-dumping procedures had no legal basis. The MFA continued to be escalating and have perverse effects on trade. Far more discriminatory "voluntary" export restraints had been introduced on products from developing countries as on those from developed countries. In combination, these led to significant damage to developing

countries' access to world markets. Furthermore, "Section 301" had been used by the United States to introduce unilateral measures in areas not covered by existing GATT obligations. Brazil had felt the weight of this unilateral pressure in 1989. The lack of agreed rules on matters which did not belong in GATT was not a legal excuse for applying restrictions not authorized by the General Agreement. The emphasis which was being placed in the Uruguay Round on negotiation of new or revised rules was perhaps mistaken: what was needed was greater will by contracting parties to fully apply existing GATT rules and disciplines.

18. He agreed that some of the serious imbalances existing between major trading entities derived from the imbalances between national expenditure and output rather than from trade policies implemented elsewhere. The mistaken emphasis on bilateral imbalances should be corrected. The TPRM exercise should help to identify issues which should contribute to enhancing the world trading environment. Many developing countries, as the Report showed, had made significant efforts to liberalize their trade policies. But trade alone could not resolve all the needs. Other measures, from other contracting parties and in other relevant areas, were also called for, before the end of the Uruguay Round.

19. The representative of Canada said that references in the Director-General's Report to increased use of anti-dumping procedures underlined a real concern which should be dealt with through the Uruguay Round. The greatly increased use of dispute settlement procedures since the beginning of the Uruguay Round was evidence that more contracting parties were bringing real trade problems to the GATT and that the system was working well, despite the complexity of the issues. He hoped that the new procedures introduced under the Uruguay Round would lead to a more orderly adoption of Panel reports.

20. The fact that some contracting parties had sought solutions to trade problems outside the GATT framework was a sign that safeguards negotiations should be pushed ahead. In this connection, the useful reference material on "Section 301" in the Report showed the need for more effective disciplines within GATT and agreements in the Uruguay Round, including in new areas.

21. Section III of the paper, analysing the changes taking place in the trading system, should become a regular feature of the Report. It showed the ongoing integration of national economies, as well as the way in which the concept of trade policies was being extended to touch increasingly on domestic policies. The implications for the rôle of Trade Ministers were considerable.

22. The representative of Hungary said that the rapid increase in world trade should give hope for good results in the Uruguay Round. Expectations that world prices of agricultural products might not continue to rise in the medium term increased the importance of a good agreement on agriculture. The persistence of large trade imbalances among major participants also emphasized the importance of reaching comprehensive agreements.

23. It was unfortunate that, in a situation of high economic growth world-wide, protection was growing through the use of such measures as anti-dumping or countervailing actions and measures taken outside the GATT framework, and that disputes were also increasing. Such problems seemed to apply disproportionately to developing countries and "Eastern" economies, which needed substantial inflows of capital goods, including high technology products, and of finance.

24. The representative of Argentina noted a clear link between the evolution of the main features of world trade and institutional developments. Outside the main trading nations, there were many structural and financial difficulties as well as high levels of external indebtedness. In this situation, it was inappropriate that major trading nations' imbalances should give rise to bilateral or unilateral trade measures. He emphasized the potential importance of the developing countries as markets; however, their attractiveness had declined markedly as a result of their structural problems and severe debt burden.

25. Despite the problems arising from the use of measures such as anti-dumping actions, which inhibited the development of commerce, there were some positive elements in the reduction of some grey-area measures and in some fields of negotiations in the Uruguay Round. However, concessions sought from developing countries in areas such as increased bindings should be weighed against the difficulties which developed countries had, for example, in adopting certain Panel reports.

26. The representative of Switzerland suggested that the Report could be extended in order to integrate macro-economic developments more closely, especially where these can be seen to have had determinant influences on trade policies. He shared the positive picture given by Section I of the Report. Section II highlighted some real problems in the trading system, including the paucity of Article XIX actions, which showed that there was something fundamentally wrong with the present safeguards mechanism; the high incidence of countervailing actions, where more analysis was needed on internal measures, particularly subsidies, and of anti-dumping actions, which could be linked to rules of origin. The prevalence of "solutions" outside GATT illustrated the realities underlying problems of trade law. In dealing with textiles trade, the Report could have mentioned those contracting parties which did not apply the MFA. The analysis of factors underlying trade trends in Section II was perhaps the most interesting of all. It showed how much confusion and harm could arise from mixing up symptoms and causes, for example in dealing with the major economic and trade imbalances. He agreed with the representative of Canada that it also illustrated how far trade and other economic policies were now becoming intertwined, with all the consequences for international negotiations which this could entail. And Section III also showed that trade between regions was, if anything, even more dynamic than trade within regions.

27. The representative of Norway, speaking on behalf of the Nordic countries, focused on three issues. First, the Director-General's Report was particularly illuminating in showing that trade between regions had been as dynamic a force in world trade as trade within regions. This did

not mean that regional co-operation should be discouraged: on the contrary, closer regional integration had had positive effects on the world economy. It was, however, essential to prevent regional groupings from becoming inward-looking, in order to avoid economic conflicts and loss of welfare. The second issue related to trade disputes in the anti-dumping area, where rules needed to be clarified or amended. The Nordic countries had already expressed their concerns about interpretations of these provisions inconsistent with GATT or the relevant Codes. Thirdly, the general analysis of world output and trade showed that serious economic problems for many countries were hidden by the generally encouraging trends. It was regrettable that sectors of special importance to developing countries were still subject to a disproportionate level of restrictions, including MFA agreements and discriminatory VERs. For the Uruguay Round to succeed, and for more countries to be successfully put on the road to trade and economic expansion, changes in all contracting parties' trade policies were required to bring all sectors of trade under GATT rules.

28. The representative of Morocco agreed that the Report gave cause for reasonable optimism, but showed a major asymmetry in the international trading system in the contrast between liberalization in developing countries and the creation of new barriers to trade in industrialized countries through such measures as anti-dumping procedures. This asymmetry was paralleled by that of economic performance; most developed countries were growing at a satisfactory rate while mixed results, if not reverses, were shown in many developing countries. These asymmetries were perhaps the greatest present threat to the trading system. The Uruguay Round must produce satisfactory results for developing countries, and solutions should be found to the interlinked problems of the international monetary and financial systems. The TPRM would help to illustrate the gravity of the situation and the relevance of these concerns.

29. The representative of Bangladesh contrasted the situation presented in Appendix Table 1, showing trade liberalization measures in 35 countries, including 15 developing and three Eastern European countries, with the difficulties experienced by exporting countries under the MFA, where the number of restrictions had risen, the scope had expanded, and even small export items were limited. Exports from disadvantaged, least-developed countries like Bangladesh were so small that they could not cause any serious problem; they should not, therefore, be subject to limitations. He urged developed countries to take a more generous attitude.

30. He noted that, while the manufacturing sector in Western economies had expanded strongly in 1989, developing countries as a group accounted for barely 14 per cent of trade in manufactures. He proposed that the Secretariat should conduct a study to establish the main factors which had helped countries whose manufacturing sector had grown rapidly to expand their trade, and to suggest ways in which developing countries, and the least-developed in particular, could take advantage of new technologies to expand their trade in manufactured goods.

31. The representative of Korea expressed concern about the proliferation of anti-dumping practices, their use to protect uncompetitive industries, and in particular the combined use of anti-dumping measures and MFA restrictions. Such elements were undermining the Uruguay Round negotiations. Without progress in these areas, negotiations on market access and safeguards would be meaningless. For Korea, "Section 301" touched directly on many traditional areas of trade in goods. He endorsed the Report's views concerning the ineffectiveness of attempting to resolve current account imbalances by putting pressure on trading partners. Reciprocity might bear results in the short run, but would in the longer term undermine the trading system. He welcomed the growing integration of Eastern European economies into the GATT system.

32. While welcoming the overall tenor of the Report, the representative of the United States said that it had some deficiencies. The continued growth of world trade was largely due to the fact that the major markets continued to be open to imports. Real economic growth had been much higher in economies with open or liberalizing trade régimes (whether developed or developing countries) than those with more highly protected trade régimes. Appendix I showed that, even though many tariffs had been reduced, levels were still unacceptably high in a number of contracting parties. High tariffs and continued application of NTMs inhibited the operation of the GATT system. On anti-dumping and countervailing measures, the Report had ignored the persistence of subsidization and circumvention of procedures on dumping which such measures were intended to combat.

33. It might be difficult for most Council members to maintain a "balanced" view of the policies of the United States, which accounted for nearly one-third of world GNP and purchased more than two-thirds of exports from developing countries. Nevertheless, he felt that disproportionate attention had been given to some exceptional measures, affecting a relatively insignificant proportion of world trade, taken by a few major countries. It would not help the process of trade policy assessment to criticise one country's trade régime extensively, while giving much lighter scrutiny to similar, or more potent, measures taken by others. The United States' "Section 301" legal authority was not aimed at "solutions outside of GATT" but, on the contrary, had been at the root of all dispute settlement actions brought by the United States before the GATT in the past fifteen years. Moreover, in areas not covered by GATT, it was exactly to cope with the lack of effective rules and disciplines that "Section 301" had become necessary. It was the United States' objective to strengthen such disciplines through the Uruguay Round negotiations. There had been an immense improvement in the attitudes of governments to the dispute settlement process during 1989 and he hoped that this trend would continue. In general, even if the Uruguay Round had little impact on the underlying macro-economic policies which might be at the root of trade imbalances, if it led to a perception that unfair trade practices had been reduced, it would make an important contribution to the future of the trading system.

34. The representative of Australia said that the overriding objective behind the efforts being made by Australia to promote Asian-Pacific co-operation, and in convening a meeting of Ministers from the region in Canberra in November 1989, was to build support for the GATT-based multilateral trading system. Concerning measures taken outside the GATT, he called attention to the serious impact of VERs not only on restricted sources but also on third countries, either by inhibiting their exports to the countries whose exports are restrained or by causing trade diversion. In this connection, he stressed that Australia maintained no VERs or QRs and that, even in the motor vehicle sector where the tariff was 35 per cent, the tariff was the only protective measure.

35. The representative of India expressed satisfaction with the growth of world trade in 1989 and the favourable outlook for 1990, as well as the fact that a number of developing countries had become "dynamic traders" which had been able to benefit from these trends. However, such growth was concentrated in a few countries, and many developing countries were still afflicted by serious economic problems. He hoped that the benefits of trade would also percolate down to the poorest countries.

36. He stated his concern at the increased use of unilateral measures in an attempt to make trading partners change their domestic policies or to influence negotiating positions. "Section 301" was the most glaring manifestation of this trend. It was a matter of concern that unilateral measures were being used in areas covered by GATT where clear dispute settlement procedures could have been used. Even more disturbing, some of the "unfair" practices aimed at were not even covered by GATT rules. He was concerned by the impression given in the Director-General's Report that the inadequacy of GATT was the underlying cause for the initiation of actions under "Section 301". He rejected the idea that non-coverage of some of the issues under the GATT provided justification for resorting to such unilateral measures. The proliferation of grey-area measures confirmed that there was no discernible progress in the application of the Uruguay Round rollback commitment. The Director-General's Report confirmed that most discriminatory measures were against exports from developing countries, and that textiles and clothing remained on the top of the list of "voluntary" export restraints. The dispute-settlement mechanism was functioning well, and should improve further with the introduction of the new procedures; but he was concerned by the trend towards broadening the scope of, and extending the criteria for, use of anti-dumping and countervailing procedures, whose real objectives were being nullified by their use to protect industries against fair and normal trade.

37. The representative of India welcomed the announcement by Sweden that it would terminate all its MFA restrictions in 1991, and expressed his delegation's appreciation to those countries which had applied MFA restrictions sparingly or had provided for greater liberalization than was evident under MFA III. Concerning new areas under negotiation in the Uruguay Round, he said that only trade-related aspects of intellectual property rights and investment should be covered, with a view to addressing their trade-restrictive and distortive impact, if any. He welcomed the

accession of a number of new contracting parties to GATT as a sign of the confidence placed in the multilateral trading system. He urged contracting parties, in the last decisive year of the Uruguay Round, to recognize that multilateralism should not be the "preferred way" of solving disputes, but the only way of resolving problems.

38. The representative of Israel hoped that the positive trends in trade and production shown in the Report would be shared by smaller and weaker trading partners. The Uruguay Round was an opportunity to correct the operation of the trading system to allow all to benefit from growth in the world economy. An effective multilateral trading system was the only adequate protection for small trading nations against large powers; in this connection, he welcomed the fact that the dispute settlement system was working well. Referring to the harassment involved in the use of anti-dumping and countervailing measures, he urged contracting parties to seek appropriate solutions in the Uruguay Round. All parties should avoid or renounce the use of actions outside GATT and use the Uruguay Round to negotiate adequate rules for areas not yet covered by the General Agreement. While Section III of the Report was most useful, he hoped more could be made of the links between trade, monetary affairs and indebtedness. Small trading nations found it impossible to gain secure terms of trade, because of the effects of the imbalances among major countries. Changes in regional trading patterns and the recent developments in Europe were of vital interest to his delegation. He hoped that the multilateral negotiations would find appropriate solutions for all these trading problems.

39. The representative of Japan agreed that trade was a basic driving force in the growth of the world economy. He agreed that the dispute settlement system was working well, although there was always room for improvement. He expressed his concerns about the increased scope and use of anti-dumping and countervailing measures, which risked stifling vigorous competition. The spread of bilateral or unilateral measures under the MFA was contrary to its letter and spirit. The effects of "Section 301" actions would have far-reaching implications. As Section III of the Report noted, there had been a mistaken tendency to place emphasis on bilateral solutions to current account imbalances, instead of promoting appropriate domestic economic measures. Maintenance of an open trading environment was necessary to encourage new trading countries and promote an active trading environment; regional trading arrangements should ensure benefits not only for their members but for the world as a whole.

40. The representative of Hong Kong said that the dynamism underlying the performance of the "new traders" mentioned in the Director-General's Report could only be sustained and spread to other economies if the global trading system continued to liberalize, and in this connection the successful conclusion of the Uruguay Round was vital. He condemned the extension of anti-dumping measures to textile products already subject to MFA restraints, particularly when a commitment had been made to reintegrate the textile sector into the GATT. The increase in government-to-government grey-area measures which could be inferred from the Report underlined the commitment made at the April 1989 TNC to eliminate grey-area measures.

41. The representative of Tanzania said that the Report should include an objective discussion of the functioning of the financial and monetary systems, including the rôle of public and private financial institutions insofar as it was relevant to understanding the international trading environment. The message given by Appendix Table 1 on the more and less dynamic trading areas was clear, although he hoped that statistics relating to Africa's merchandise trade could be included in the next edition even if its share was small. He also applauded Sweden's decision to eliminate all MFA restrictions. He questioned whether Ghana and Malawi, mentioned in Appendix Table 1 as having eliminated, or shortly to eliminate, import restrictions, had in fact done away with all restrictions including those on strategic commodities.

42. The representative of Brazil, responding to the United States' comments on liberalization measures taken by countries listed in Appendix 1, noted that these changes could, in some cases, be indicators of a shift towards wider liberalization in the future. He expressed disappointment that all major trading partners could not be included in the Table.

43. The representative of Romania noted that negative phenomena in the trading system particularly affected developing countries, many of which had not been able to benefit from the positive trading environment. The Report could say more about the reasons for disparities among participants and possible remedies for these. Protectionism was still growing, particularly through the use of anti-dumping and grey-area measures and the use of GATT principles in an abusive manner. Unilateralism was increasing. Such actions were contrary to the standstill and rollback undertakings of the Uruguay Round. There were also many imbalances within the Round.

44. The representative of Indonesia said that one way to rectify the imbalances between regions which had and had not benefited from trade expansion was to remove trade barriers and adjust macro-economic imbalances. The market access negotiations in the Uruguay Round were crucial in this respect. Better ways must be sought of dealing with anti-dumping and "grey area" measures which were used as inappropriate ways of coping with imbalances caused by macro-economic factors. He hoped that the trade policy review process would bring GATT to contribute to addressing more global aspects of macro-economic problems while increasing the effectiveness of the multilateral system.

45. The representative of Nigeria shared the concern that growth in world trade had not spread to all countries. He hoped that the GATT system, including the Uruguay Round, could be used to redress these imbalances. Countries taking liberalization measures as part of structural adjustment programmes should be rewarded by increased market access, not by greater barriers. Contracting parties should refrain from unilateral actions.

46. The representative of Jamaica pointed to divergent and worrying aspects behind the overall picture. While a number of developing countries had moved up among the leading merchandise traders, both as exporters and importers, the adverse positions of least-developed and heavily-indebted countries required deliberate, conscious, and targeted efforts to reduce barriers to developing countries' exports. The relationships between trade, monetary, and financial aspects of the international economy also needed more attention in the Report, as well as in the work of the Council and the Uruguay Round.

47. Replying to comments made, the Director-General thanked all participants for their remarks. This Annual Report was the first in the context of the new reviews. The review mechanism should clarify trends in trade policies over time. The value of the whole exercise should therefore be given a measured assessment as time goes by. The comments made had been constructive contributions to the work.

48. Three general points which the Secretariat might pursue had been raised. The first was that trade policy developments should be set more firmly in their macro-economic context, with deeper analysis of financial and monetary issues. While he was not unsympathetic to this idea, he indicated that questions of the appropriate economic analysis content of the "overview" and of the relative responsibilities of the institutions involved in trade, financial and monetary questions might limit the possibilities. The second was that there should be deeper analysis of the situation in countries where the benefits of trade had not been fully experienced. One limitation in this case was likely to be the availability of reliable data, especially in the case of least-developed countries. The third was that internal support measures should be more fully discussed. Again, this was one of the new areas of discussion where the information available was perhaps not as rich, or as readily available, as might be desired. Lastly, there was still a long way to go before the Secretariat would be in a position to look at "global" protectionism, taking all measures together. As a general comment, he felt that the main aim of the "overview" exercise, and of the TPRM, was to reach a point where a genuine collective assessment of the trading situation could be made which would express the preoccupations of the CONTRACTING PARTIES as a whole.

49. The Chairman, summing up, said that he saw a great deal of coincidence of concerns in the debate. The Director-General's Report had been generally well received. Many participants had seen the overview as a valuable link between general trends in world trade and the individual country reviews; between "normal" GATT activities and the Uruguay Round; or between the economic environment and the multilateral trading system. Interesting ideas for improving the overview had been put forward, including suggestions for more specific policy advice, the links between trade, finance and debt and the share of attention devoted to different contracting parties. At the same time, there seemed to be many points of agreement, relating both to the situation of world trade - on which cautious optimism on the growth of output and trade was tempered by a general recognition of the uneven distribution of the benefits and concerns

about a slowing-down of adjustments in imbalances among major trading nations - and to policy developments. On the latter, he noted views expressed on the use of anti-dumping procedures; apparent agreement that GATT dispute settlement procedures were working better than they had been reputed to be; a focus on problems faced by developing, least-developed and Central European countries in market access; controversy over the use of "Section 301"; agreement that attempts should not be made to solve major imbalances by bilateral action; and recognition that, while positive trade liberalization was proceeding in many developing countries, levels of protection were often still high. In his opinion, the "overview" had been conducted in a positive manner and served as a good setting for the discussion of individual country reviews.

50. The Council took note of the statements and agreed that the overview of developments in the international trading environment had been conducted.