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TRADE NEGOTIATIONS COMMITTEE

Thursday, 30 September, 1993

The Trade Negotiations Committee met at officials level today, 30 September 1993. The following is the opening statement by the Chairman, Mr. Peter Sutherland.

Introduction

At our last meeting on 31 August I referred to a growing perception that a successful conclusion to the Uruguay Round is essential to economic recovery, development and jobs. That perception has since been greatly reinforced following an intensive series of Ministerial contacts which I have had in the past few weeks.

For example, it was apparent at the Montevideo Ministerial Meeting of the countries of Rio Group and is reflected in the Montevideo Declaration of September 17 which has been circulated to participants as document MTN.TNC/W/115. And earlier this week in Washington, Minister after Minister attending the annual meetings of the International Monetary Fund and the World Bank emphasised the crucial role our negotiating efforts must play in restoring confidence in global economic prospects. Indeed, the communique of the IMF Interim Committee stressed "the essential role of trade and competitive forces in the growth prospects of all countries and the job-creating effects of liberalising trade" and called for "leadership and vision from all in order to resolve the remaining issues and conclude the Round by the end of the year."

I was heartened too by the strong support for our efforts by IMF Managing Director Michel Camdessus and World Bank President Lewis Preston in the unprecedented joint statement issued by the heads of all three Bretton Woods institutions.

Such high level concern about the positive economic impact of the Round places on all of us in the TNC a crucial responsibility to advance rapidly and intensively in October and to do substantive deals on the critical outstanding issues. The focus is now squarely on the multilateral negotiations in Geneva and we cannot let events elsewhere become an excuse to induce a mode of paralysis or immobility here in Geneva. We simply must all redouble our efforts. Not only must we maintain but accelerate the momentum we have already established.

At our meeting on 28 July I indicated that it might be useful to review the state of play of the negotiations by the end of September. I would like to give you my assessment of where we stand and to identify the areas where I believe more focus and leadership is required in order to meet the objectives we set ourselves at previous meetings of the TNC.

Market Access

I have been in close and regular contact with the Chairman of the Negotiating Group on Market Access, Mr Germain Denis, and he has reported to me on the overall state of play in the process.

Re-engagement of negotiations after the summer break has been serious and has benefited in several important ways from the preparatory work done in capitals in August. As a result capital-based negotiating teams from most participating governments are now in Geneva negotiating bilaterally and plurilaterally. I am assured that these and the Geneva based teams of other participating governments are now equipped with negotiating authorities and mandates necessary to move decisively towards final deals. This means that the scene is now conclusively set for the final phase.

The number and quality of the offers on the table is clearly a key factor in moving the negotiations ahead. I am informed that, as of today, 58 participants have tabled market access offers, covering both agricultural and non-agricultural products. In addition, 5 participants have tabled non comprehensive offers and 8 others have expressed their intention to table offers shortly. Thus, so far, we have about 70 market access offers on goods on the table or about to be tabled. Of the remaining 45 participants in the Round still without a market access offer, 26 are least-developed participants.

My assessment of the negotiating process has also confirmed what I have believed all along, namely that from which ever perspective you look at it, a substantial and meaningful market access package is an essential element for all participants, big or small, developed or developing.

The negotiating framework coming from the Quad Tokyo meeting in July has created favourable conditions to re-engage negotiations. However, the constraints resulting from the "unfinished agenda" both among the QUAD countries and between them and their trading partners have now emerged as clear obstacles in Geneva. There has been no progress on additions to the lists of sectors identified for tariff elimination or harmonisation. Many participants have indicated the possibility of accepting one or more sectoral proposals if sectors of interest to them are also added to the list. Others feel that the product areas of interest to them would be taken up in the context of implementation of other elements of the Tokyo Report which address the issues of tariff peaks or tariff cuts by an average of one third or more. On these elements there has not been sufficient progress.

This unfinished agenda adds a further complication to the lack of substantive progress on the agricultural market access negotiations. These factors inhibit participants from exercising the negotiating flexibility that all recognise is essential to close out deals.

Thus, achieving the necessary breakthroughs in essential areas like agriculture including tropical products, textiles, and a number of other key sectors is the only way to remove a feeling among participants of frustration and helplessness. In this process, it is obvious that the major players will have to be responsive to the specific requests made to them by the developing countries. We need leadership and a larger share of the responsibility for movement must lie with the major players. While efforts by the major players to enlarge the market access package among themselves should obviously continue I believe they must also develop modalities for making progress in parallel with other countries.

Breakthroughs must occur in October if there is to be a solid market access package. And since such a package is a sine qua non for the success of the Uruguay Round itself, the implications of waiting for Godot on the key issues are clear. While the overall picture is not a bad one, clearly much more needs to be done, and urgently. I believe that we need to have the market access negotiations substantially concluded by mid - November if we are to conclude a market access package acceptable to all by 15 December.

What I said in my statement to this Committee in July holds even more true today: for progress to be achieved it is necessary for all elements to move together. I feel that agriculture and textiles require very special and urgent attention in terms of their relationship to unblocking the process as a whole. I have thus requested Mr Germain Denis to give them priority in the course of his informal consultations and to address them in a comprehensive manner including the market access-related Draft Final Act issues in these sectors. We shall be jointly monitoring developments. I shall of course intervene should circumstances so demand.

Services

Ambassador Hawes has reported to me on the work carried out within the Group on Negotiations on Services and I am pleased to note that we have made good progress in this area of the negotiations.

Intensive bilateral negotiations on trade in services have taken place throughout the past two weeks. These will continue in accordance with the work programme we mapped out in July. Since our meeting on 31 August, eight new offers and thirteen revised offers have been tabled, and a substantial number of further offers are in the pipeline. The offers so far tabled cover a total of seventy-seven countries. This represents substantial progress when one considers that at the Brussels Ministerial meeting in December 1990 only six offers on services were on the table. I would urge the participants to maintain the strong momentum which has now been established and to be prepared to improve the offers already tabled in order to raise the quality of the final package on services.

The services negotiators have also worked intensively on the finalisation of the text of the framework agreement and its annexes. Good progress has been made on many of the issues under discussion although there are still a small number of issues on which consensus has yet to be achieved. Accordingly, I have confirmed to Ambassador Hawes my request that he should bring forward a new comprehensive text of the GATS Agreement which will reflect the results of his consultations, including solutions which appear to enjoy a significant measure of support on the few points on which full consensus has yet to be obtained. Ambassador Hawes' intention is to make this text available tomorrow and we are grateful to him and the members of his group for this considerable achievement.