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TRADE NEGOTIATIONS COMMITTEE

Wednesday 10 November 1993

The Trade Negotiations Committee met on 10 November 1993. The following is the opening statement by the Chairman, Mr. Peter Sutherland.

"We have now 35 days within which to conclude the Uruguay Round.

Over the past few months I have met with Ministers from a wide range of countries throughout the world. Virtually all of them are mystified that we yet have to reach agreement in the negotiations. My abiding impression is that all of them want an agreement, and want it urgently. In their minds, there are very few issues that remain to be resolved. And yet here in Geneva, we seem to be in danger of getting bogged down in often obscure technical debate. I am encouraged that there is a growing perception that the overall interest in reaching a conclusion to the Round should outweigh in importance the remaining difficulties. This is not surprising in view of the irrefutable economic evidence on the benefits to be gained by concluding the Round and the serious losses if we fail, most recently exemplified by the new OECD report. Nevertheless, even if one can now foresee solutions to all of the remaining issues, there is still a risk that the Round can be lost by mistake or omission through hanging on stubbornly to unrealistic positions and expecting others to move first. This game of playing chicken is very dangerous and we simply cannot postpone all movement until the last two weeks. It neither conforms to our agreed process nor to the exigencies of reaching a satisfactory conclusion or perhaps any at all.

That is why we must be increasingly impatient at wasting time in negotiating groups on arcane technical points of doubtful importance or on issues that are capable of ready resolution. During the week, I felt it necessary, for example, to urge delegations attending the group chaired by Ambassador Lacarte to contribute more positively and constructively to the negotiations since I had received reports that not all delegations were helping the process. We simply cannot afford blockages and I appeal to all delegations to ensure that their representatives contribute positively.

At our last meeting on 1 November, I requested Heads of Delegation to redouble their efforts to resolve outstanding issues under discussion in the various informal groups, to eliminate issues of lesser priority and to be prepared to focus efforts on a small number of the most important outstanding issues. Our aim has been to gradually whittle down the list of outstanding issues so that in the phase between 15 November and our deadline of 15 December we would have a manageable number of issues on which we will negotiate the final agreement.

There has been from time to time the expression of concern that the process of negotiation should be calculated to result in transparent debate and resolution of textual issues. Furthermore, participation is of course necessary for true consensus. However, it is not apparently always recognised that the avoidance of the ultimate elaboration of arbitrated texts by chairmen can only be achieved by compromise or concession following constructive discussion.

Since our last meeting I have consulted extensively with delegations on management of the negotiating process during the final phase to 15 December. Following my consultations, I intend to organise the work during the remaining weeks as follows:

- The TNC will remain on call in permanent session and will meet at least once a week in order to monitor and steer the final phase of the negotiations. It will in particular ensure transparency so that all delegations will be kept current on all outstanding issues.
- I intend to hold very frequent informal open-ended meetings of the Heads of Delegations of the TNC which I shall chair personally. Within this forum, I will seek to bring together on a global basis all outstanding issues and focus discussion on blockages that have to be lifted to enable us to come to a final agreement. While these meetings are open-ended, it will clearly be helpful to the negotiating process if only those delegations primarily concerned with the issues under discussion would feel the need to be represented. The first such meeting under my Chairmanship will take place on Tuesday next and delegations will be advised shortly of the time and place.
- In order to assist me during the final phase I may call on the services of "Friends of the Chair", which would include the three Chairmen of the groups already established, to facilitate consideration of specific individual issues on which further consultations might be required.
- Throughout the process I and my Deputy Directors-General will intensify our bilateral consultations with delegations, and capitals if necessary, to encourage greater flexibility in order to reach agreement on the outstanding questions.

This combination of activities - meetings of the TNC and open-ended informal meetings of Heads of Delegation, the continued use of "Friends of the Chair" and intensified consultations by me and my deputies - offers a flexible way to deal with outstanding issues and yet to assure globality and transparency. However, none of it will work unless bilateral and plurilateral engagement by the main participants takes place. Of course, if circumstances warrant, I may wish to fine tune this process as we move into the final days of the Round.

How will this process relate to the work already under way? How will it address other areas on which final agreement is necessary?

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In the area of market access and the related textual issues in agriculture and textiles, we are continuing to make progress and further tariff reductions are in prospect. However, greater efforts, especially by the Quad countries, are needed urgently in order to achieve substantial results by 15 November. In addition, I must reiterate my request to all delegations who have yet to submit their latest revised market access schedules to do so as soon as possible and at the very latest in the week beginning 15 November. We need this information. It is an essential component to carry the negotiations forward. Indeed, it will be needed to conduct a serious and relevant evaluation exercise to be carried out in accordance with the Punta del Este Declaration. I expect too that Mr Germain Denis will accelerate his work on the outstanding market access related textual issues. I will want at next week's meeting of the TNC to assess the state of play on market access and how to handle any unresolved questions on the basis of a report by Mr Denis of the progress his group will have made by 15 November.

On services, the work by Ambassador Hawes on textual issues is close to completion. Delegations who have yet to furnish to the Secretariat their draft schedules of initial commitments should do so as soon as possible; I would urge the delegations concerned to give prompt attention to this task. The agreed date for the submission of final schedules is 26 November. Delegations intending to request MFN exemptions should also table their lists immediately. I will discuss with Ambassador Hawes, in his capacity as a Friend of the Chair, the best way to address and resolve the small number of major outstanding issues in the area of services and report at an appropriate time to the group of Heads of Delegation.

As envisaged at the last TNC, I expect that the informal group on institutional questions, chaired by Ambassador Lacarte, will have finished its work by 15 November by which date I will also have received from him new revised texts of the Agreement establishing the Multilateral Trade Organisation and the Understanding on Dispute Settlement. Again, if there are unresolved issues, I will discuss with Ambassador Lacarte, in his capacity as a Friend of the Chair, the best way to address them and report at an appropriate time to the group of Heads of Delegation.

The work carried out by Mr Denis, Ambassador Hawes and Ambassador Lacarte has covered all of the areas of negotiation except for the rules and TRIPs. My consultations have indicated that all delegations believe that the issues in these two areas must be contained as narrowly as possible. Indeed, this is consistent with the working premise we established last August that any delegation seeking changes to the DFA must carry the burden of seeking sufficient support for a proposed solution to its difficulties. This premise is even more valid now with the severe time constraints under which we are operating. Those seeking changes have the clear responsibility, therefore, of either obtaining widespread support for their demands or reviewing their position in order to move the process forward.

With the aim of eliminating as many of the remaining difficulties as possible, I have already begun to consult with individual delegations who have indicated difficulties in the past. I have been encouraged by my discussions to date and I will continue my consultations, if necessary, with the assistance of a Friend of the Chair with particular experience in this area.

During my consultations, a number of delegations have requested me to clarify the basis on which the negotiations will conclude on 15 December and it may be helpful to do so, in order to avoid any misunderstandings.

Once the Chairmen of the informal groups have submitted their reports, including revised texts in the areas under discussion, Heads of Delegation will then be engaged fully in a global process.

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At that stage, the broad parameters of the final agreement should be known to delegations and in capitals, subject to resolution of the major outstanding issues. We will then proceed intensively to negotiate on these issues and conclude all negotiations on substance by 15 December. At that point, each negotiator will be agreeing to record the results of the negotiations and to submit the substance of the entire package for his Government's approval in accordance with the relevant domestic procedures. After 15 December, apart from drafting of a Declaration for a Ministerial TNC next April, the only work that I foresee is work of a strictly technical or legal nature, such as certification of schedules and where necessary legal fine-tuning of the Final Act."

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