

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.TNC/3

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Trade Negotiations Committee

TRADE NEGOTIATIONS COMMITTEE

Third Meeting: 3 July 1987

1. The Trade Negotiations Committee held its third meeting under the chairmanship of Mr. Arthur Dunkel.

Agenda item I: Periodic evaluation of the implementation of the standstill and rollback commitments

2. The Chairman recalled that the standstill and rollback commitments were set out in Part I, Section C of the Ministerial Declaration and that the Decision adopted by the TNC in January called upon it to meet "at least every six months to carry out, on the basis of the records and reports transmitted to it by the Surveillance Body, a periodic evaluation of the implementation of the standstill and rollback commitments, and of its impact on the process of multilateral trade negotiations and in relation to the interests of individual participants" (MTN.TNC/2, Paragraph 8).

3. The Chairman of the Surveillance Body introduced the notes on its first two meetings (MTN.SB/1 and 2) including the record of its examination of the first standstill notifications. This record provided the basis for any evaluation a member of the TNC might wish to make of the present situation. Further examination of any notifications would be possible at future meetings of the Body. The Body had also sought a better common understanding of its rôle. It had completed details of the procedures that would allow it to function effectively on the basis of the decisions of the TNC. These would, *inter alia*, permit more time for adequate consideration of future standstill notifications prior to its meetings. The Body expected to take note by the end of the year of any rollback undertakings resulting from the first round of consultations. One rollback communication had been received. Discussions had reflected the shared awareness of the importance of the standstill and rollback commitments to the integrity of the negotiating process. After the learning process of the first two meetings, he hoped that further work would be carried out on a basis that would permit the Body to make the contribution to this process envisaged by the TNC.

4. The representative of a group of participants reaffirmed the views he had expressed at the Body's second meeting (MTN.SB/2, Annex).

5. The Committee took note of the notes and records of the Surveillance Body, of the statements made and of the fact that, in the normal course of events, the TNC would next take up the subject at a meeting at the end of the year.

Agenda item II: Group of Negotiations on Goods: Report

6. The Committee was informed by the Chairman of the GNG of the work of the Group at its meetings of 14 April and 26 June 1987 (MTN.GNG/7 and 8). At each meeting the Group had undertaken a review of progress under Part I of the Ministerial Declaration. It had concluded that so far progress had been generally satisfactory across a broad front. In most of the Negotiating Groups a number of proposals were now under consideration. However, it had been noted that participants with limited resources would need increased technical assistance, and that a great deal remained to be done if the initial phase were to be completed before the end of the year. It had been suggested that at present attention should be concentrated on the quality of results, rather than on achieving early results in some areas, and that strict adherence to the standstill and rollback commitments would demonstrate the political will needed to make serious progress. At both meetings the Group had considered the relationship between the Uruguay Round and global economic and trade policy developments. After a decision in principle had been taken at the April meeting on attendance of international organizations at meetings of the GNG and the Negotiating Groups, further consultations had proved necessary with a view to reaching an overall decision (see Agenda item V below). At the June meeting, it had been agreed that each Negotiating Group be asked to indicate its needs in terms of meeting time - formal and informal - between its third meeting and the end of 1987 in order to complete the initial phase of its negotiating plan. The Group had noted that consultations would be held with the Chairmen both of Negotiating Groups and of GATT bodies in order to plan a rational and efficient schedule of meetings. The GNG would meet on 12 October 1987.

7. The Committee took note of the report of the Chairman of the GNG.

Agenda item III: Group of Negotiations on Services: Report

8. The Committee was informed by the Chairman of the GNS of the Group's work at its meetings of 23-25 February, 8-10 April and 29 June-2 July 1987 (MTN.GNS/7, 8 and 9). At each meeting the Group had addressed all five elements set out in the Programme for the Initial Phase of Negotiations. Differing degrees of emphasis had been placed on the importance, for the commencement of the negotiating process, of arriving at an agreed definition of trade in services, and of a comprehensive data base. On the basis of information gathered, there appeared to be a consensus, however, on the need in general to improve statistics on trade and production of services. The question had been raised, in this respect, of technical

assistance to developing countries. Questions relating to the need for data on trade in services in the context of the negotiating objectives would be kept under review. There had been discussion of the significance and relevance of broad concepts such as transparency, non-discrimination, mutual advantage and national treatment. Possible criteria for the inclusion of particular services in the multilateral framework had been mentioned. It had been agreed that the secretariat prepare a factual note summarizing the main features, coverage and objectives of existing international disciplines and arrangements. It had been suggested that information be collected and an inventory drawn up of perceived barriers to trade in services. The GNS would meet on 15-18 September, 3-6 November, and 14-15 December. The December meeting would be used to take stock and determine how to carry forward the negotiating process.

9. The Committee took note of the report of the Chairman of the GNS.

Agenda item IV: Request by Guatemala for participation in the Uruguay Round

10. The TNC considered Guatemala's request for participation in the Uruguay Round (MTN.TNC/W/6). Some participants insisted that the special case of Guatemala did not create a precedent, and that any special procedure to allow for its participation in the negotiations was not to be invoked at a later stage by any participant with the effect of hindering the negotiations.

11. The Committee took note of the statements made and agreed as follows:

"The Committee notes the request by Guatemala to participate in the negotiations under Section F(a)(v) of the Ministerial Declaration but that procedures for Guatemala's accession to the GATT were initiated after the date of 30 April 1987 laid down in that sub-section.

The Committee agrees, given the unavoidable delay in the transmission of Guatemala's request, to treat this request as if procedures had been initiated by 30 April 1987 and, accordingly, to declare Guatemala a participant in the negotiations."

Agenda item V: Attendance of International Organizations

12. The Chairman reported that, as requested, he had undertaken consultations on the question of attendance of international organizations at meetings of the various bodies in the negotiations. He introduced the resulting package (see Annex) and indicated his understanding that the Chairman of Negotiating Group 4 would not challenge the presence of the Executive Secretary of the International Textiles and Clothing Bureau in the delegation of the country chairing the Council of the Bureau.

13. Some participants expressed reservations about the package, which seemed to reinforce the inequality among participants by not taking sufficiently into account the needs of those with least technical expertise and resources. Some felt that, since the issues in the negotiations were interrelated and for the sake of coherence, invited organizations should attend the meetings of all bodies in the negotiations. Some participants suggested that the FAO also be invited to attend meetings of Groups 1 and 3, and UNCTAD, Groups 1, 3 and 6. Another participant indicated that he favoured the attendance of the IBRD, IMF and UNCTAD at meetings of all bodies and recalled that according to the proposed package the list remained open. The representative of a group of participants stated that, in his view, international organizations should only be invited to attend if they could make a real contribution to the work of the body in question and ensure global coherence of trade and other economic policies while respecting individual spheres of competence. Some participants believed that international organizations had a rôle to play at meetings of Group 14 only with respect to the Group's third negotiating objective.

14. The Chairman stated that the text of the package related only to technical support which international organizations might provide to different negotiating bodies, and not to technical assistance offered by them to individual governments. The representative of a group of participants stressed that the GATT secretariat was competent to give such assistance and indicated that financial help would be forthcoming to increase its level. Some participants suggested that the Chairman, as Director-General of GATT, meet with participants requiring technical assistance, in the presence of a representative of UNCTAD, to assess their needs. The Chairman said that he had no difficulty with the suggestion and recalled that such discussions were indeed taking place in GATT's Committee on Trade and Development, and that the Technical Co-operation Division had recently been strengthened.

15. One participant believed that decisions on attendance at meetings of individual Negotiating Groups were within the competence of the Group of Negotiations on Goods and not the Trade Negotiations Committee.

16. The Committee noted the statements made and agreed by consensus to the package (see Annex). The Chairman said that invitations would be sent together with the full text of the Committee's decision.

Date of next meeting

17. The Committee agreed to set aside the date of 17 December 1987 for a meeting of the TNC.

ANNEX

ATTENDANCE OF INTERNATIONAL ORGANIZATIONS  
IN THE PROCEEDINGS OF THE URUGUAY ROUND

Adopted by the Trade Negotiations Committee, 3 July 1987

1. In recognition of the fact that the attendance of international organizations could facilitate the attainment of the objective of strengthening the interrelationship between trade policies and other economic policies affecting trade and development, representatives of international organizations would be invited to attend formal meetings of negotiating bodies during the initial phase as indicated below. It is open to negotiating bodies to recommend the attendance of other international organizations. Since the negotiations are taking place among participants, the sole purpose of such attendance is to enable negotiating bodies to seek appropriate technical support in the field of expertise of these organizations, to complement the expertise primarily available from participants. This technical support might take the form of oral responses during the meetings to requests through the Chairman for factual information on and clarification of matters concerning the relevant instruments and activities of any such organization, and factual papers to be prepared at the request of the body.
2. It is understood that the rules on the confidentiality of the proceedings of the negotiating bodies will also apply to such representatives and that the content of discussions and documents would not be available for use outside international secretariats attending meetings.
3. It is also understood that support by invited international organizations would be given in a manner which does not affect the negotiating positions of participants and information obtained would be used only for the purpose indicated in paragraph 1 above.
4. It is also understood that, following normal practice, negotiating bodies may decide to hold closed meetings when they consider them necessary.

Group 1	Tariffs	CCC
Group 2	Non-Tariff Measures	CCC, UNCTAD
Group 3	Natural Resource-Based Products	None
Group 4	Textiles and Clothing	None
Group 5	Agriculture	FAO
Group 6	Tropical Products	FAO
Group 7	GATT Articles	IMF
Group 8	MTN Agreements and Arrangements	CCC when valuation code is discussed. ISO and IEC when code on technical barriers is discussed.
Group 9	Safeguards	None
Group 10	Subsidies and Countervailing Measures	None
Group 11	Trade-Related Aspects of Intellectual Property Rights including Trade in Counterfeit Goods	CCC, UNCTAD, WIPO
Group 12	Trade-Related Investment Measures	IBRD, IMF
Group 13	Dispute Settlement	None
Group 14	Functioning of the GATT System	IBRD, IMF, UNCTAD
	Surveillance Body	None
	GNG	IBRD, IMF, UN, UNCTAD
	GNS	IBRD, IMF, UN, UNCTAD
	TNC	IBRD, IMF, UN, UNCTAD