

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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COMMUNICATION FROM THE DELEGATION OF BRAZIL

The following communication is circulated at the request of the delegation of Brazil, on behalf of sixteen contracting parties members of the Latin-American Economic System.

The Latin American Consultation and Co-ordination Meeting, convened by the SELA Permanent Secretariat, in accordance with Article 19(b) of Decision No. 272 of the XIV Latin American Council on the Ministerial meeting of the Trade Negotiations Committee of the Uruguay Round, adopted the following declaration:

DECLARATION

1. The countries of Latin America and the Caribbean attach great importance to the Ministerial meeting of the Trade Negotiations Committee of the Uruguay Round (Montreal, Canada, 5-8 December 1988), as it provides an opportunity to give new political momentum to the negotiations to strengthen the multilateral trading system, adjust the orientation and asymmetries that have emerged during the negotiations and incorporate in the negotiations elements and proposals that reflect the region's legitimate interests.

2. The multilateral trading system must respond to growth and development needs and contribute to the growth and development processes. This is the fundamental purpose of our participation in the Uruguay Round.

However, we note with concern that the system is facing a very serious and dangerous crisis as a result of the proliferation of protectionist measures, increasing recourse to bilateralism and the application of coercive measures; all of which call into question the very credibility of the multilateral trading system and, ultimately, of the Uruguay Round.

3. We consider that the past two years of negotiations in the framework of the Uruguay Round have brought to light profound asymmetries in the different negotiating groups. There has not been an adequate response in the areas and subjects which are of the greatest interest and priority to the countries of the region, whereas in the so-called new areas, the main industrialized powers have exerted strong pressure and even made proposals which go beyond some of the terms of reference agreed upon by the Ministers at Punta del Este.

4. In order to preserve the comprehensive nature of the negotiations, it is imperative that the meeting of the Trade Negotiations Committee, while respecting the Punta del Este Ministerial Declaration in its entirety, should remedy the shortcomings and respect the priorities established, in order to redress the balance of interests and expectations originally agreed upon.

5. The present surveillance mechanism has so far failed to contain and reverse protectionism. We reiterate that the standstill and rollback commitments are a precondition of the Punta del Este Declaration, as they are designed to be a sound basis for furthering the negotiations by eliminating measures that violate these commitments and harm the essential interests of developing countries. It is imperative and urgent that the failure to observe these commitments be remedied at the Meeting of the Trade Negotiations Committee in Montreal. To that end, specific procedures and time-frames must be established to enable substantial progress to be made in this area in the near future. The countries of Latin America and the Caribbean will contribute by notifying quantitative restrictions and other non-tariff measures so that countries applying them can phase them out.

6. We strongly reject the developed countries' intention to ignore the fundamental principle of special and more favourable treatment for the developing countries. If they persist in their attitude there will be no progress in the Uruguay Round. It is therefore essential that the meeting of the Trade Negotiations Committee should reaffirm the principles laid down on this subject in the Punta del Este Declaration, and insist on their early implementation in all negotiating groups.

7. The problem of external debt servicing has become the major obstacle to the development of the region. By transferring a large proportion of their domestic savings to the industrialized nations, the Latin American countries have had to reduce their import, investment and, consequently, growth capacity, which has meant a serious deterioration in the living conditions of their peoples.

8. In the light of the foregoing, the debt/finance/money/trade link, recognized in the Punta del Este Ministerial Declaration, but ignored in the first phase of negotiations, must necessarily and effectively be incorporated in the results of the Uruguay Round. Access to the markets of the industrialized countries and a favourable trading environment are essential for the countries of the region to meet their financial commitments.

9. We reiterate that the debt problem calls for concerted action reflecting joint responsibility, and that parallel negotiating efforts should be undertaken in other areas of international economic relations such as money and finance.

10. The fulfilment of the objectives of the Uruguay Round will be seriously limited unless the multilateral trading system is reformed and its legal basis strengthened. To that end, we shall continue to work towards ensuring that the fundamental principles and rules of the General Agreement are observed, that its provisions are definitively accepted and that the provisions of the other instruments subscribed to under the auspices of the CONTRACTING PARTIES are strengthened.

11. We wish to point out that the meeting of the Trade Negotiations Committee can only adopt decisions within the framework of the Punta del Este Declaration and we therefore reiterate that the competence of the CONTRACTING PARTIES and the relevant articles of the General Agreement must be respected.

12. Tropical products constitute a priority sector and are fully recognized as such in the Punta del Este Declaration. We reiterate that substantive results must be obtained before the end of this year and applied immediately.

13. The meeting of the Trade Negotiations Committee at ministerial level in Montreal is not a routine exercise but an opportunity to embark on the practical steps needed to strengthen the multilateral trading system. Of course, any process which tends to neglect our fundamental interests and increase imbalances will not be acceptable. The full success of the Uruguay Round will benefit all participants. Although so far we have had no reason to be optimistic, our Ministers will judge whether these aims and efforts are shared by the other contracting parties. Consequently, our Ministers will decide upon their participation in a possible consensus in the light of the concrete possibility of correcting present imbalances.