

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG4/12

16 May 1989

Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Textiles and Clothing

MEETING ON 20 APRIL 1989

Note by the Secretariat

1. The agenda, set out in GATT/AIR/2756, dated 11 April 1989, was adopted.
2. The Chairman referred the Group to document MTN.GNG/NG4/11, which contained the main points raised at the last meeting, held on 2-3 November 1988. He also drew the Group's attention to document MTN.GNG/NG4/W/22, setting out a statement made by Indonesia, on behalf of a number of developing countries, members of the International Textiles and Clothing Bureau (ITCB) at the November meeting of the Group. Moreover, the Group had before it the fourth revision of the informal non-paper by the Secretariat updating the views expressed on the main elements of the proposals and communications before the Group, and on the negotiating objective.
3. The Chairman noted that the Group was moving, on this occasion, to a very important stage in its work following the conclusion of the mid-term review by the Trade Negotiations Committee, i.e. to enter into substantive negotiations on modalities for the integration of the textiles and clothing sector into GATT. Accordingly, he invited participants to consider how the Group might go about its work in the period ahead in order to achieve progress in the substantive negotiations. In this regard, he noted that the decision of the TNC relating to textiles and clothing, set out in document MTN.TNC/9, provided some guidance. He also suggested that the proposals and communications already before the Group could serve as a good starting point for its work. He further recalled paragraph 3(c) of the TNC Decision inviting participants to put forward additional proposals, preferably not later than 30 June.
4. As regards the organization of the work, the spokesman for the group of developing countries, members of the ITCB, stated that the present meeting marked the beginning of the process of substantive negotiations and that the intensive discussions leading up to the recent decision by the Trade Negotiations Committee should provide the impetus and momentum for the negotiations in this sector. He further stated that the negotiations should proceed in a positive manner in order to ensure that agreement is reached within the time-frame of the Uruguay Round on the modalities for

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the integration of this sector into GATT in accordance with the negotiating objective and that the developing countries were prepared to work towards this end. A number of participants confirmed that they, too, were ready to enter the substantive negotiations and urged that this work be undertaken in a positive, constructive spirit and in a non-confrontational atmosphere.

5. It was stated that the negotiations should be conducted on the basis of the objectives set out in the Punta del Este Declaration; guidance in this respect was provided in the recent TNC decision. Reference was made to paragraph 3(b) of that decision which lists certain modalities for the process of integration into GATT, and the point was made that it should not be considered an exhaustive list. Another participant commented that the outcome of the mid-term review indicated that a common will to integrate the textiles and clothing sector into GATT now existed and that the negotiations should be carried out in a practical manner, taking into account the interests and constraints of all participants. It was also stated that the Group should adopt a realistic attitude, bearing in mind the fundamental economic, social and regional implications in all member countries. Another participant cautioned that such a realistic approach must not sacrifice any of the agreed elements. It was also suggested that the Group should undertake to define as clearly as possible all elements of the eventual integration of the textiles and clothing sector into the GATT in order to reduce any differences of understanding in this regard.

6. On the subject of proposals, the spokesman for the group of developing countries, members of the ITCB, suggested that the Negotiating Group should concentrate its efforts on the rapid development of consensus on the most suitable modalities and, to this end, the group of developing countries would be presenting further detailed proposals, in due course. Some other participants advised that they, too, anticipated making positive contributions to the work of the Group. A number of participants stated that the proposals and communications already before the Group¹ should continue to be examined in the current phase of the Group's work, though in a more structured and thorough manner. It was suggested that the examination of the elements in the existing proposals and communications could begin immediately.

7. The Group decided that its next meeting would be held on 9 June followed by further meetings on 24-25 July and 21-22 September.

¹Proposals by the group of developing countries, members of the ITCB and by Pakistan are set out in MTN.GNG/NG4/W/10 and 11 respectively, while communications from the EEC and Canada are contained in MTN.GNG/NG4/W/12 and 21 respectively.