

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Group of Negotiations on Services

NOTE ON THE MEETING OF 16-19 JANUARY 1990

1. The Chairman welcomed delegations to the twenty-seventh meeting of the GNS and drew their attention to GATT/AIR/2901 circulated on 21 December 1989 which contained the proposed agenda for the meeting. He said that under "Other business", he would like to take up the question of how work in the GNS would proceed during this year so as to complete all parts of the multilateral framework by the end of the Uruguay Round. He suggested that the Group start with item 2.1 on the agenda and recalled that a number of submissions had been circulated since the Group's last meeting in December; namely by India (MTN.GNS/W/87) and Malaysia (MTN.GNS/W/89), as well as by the IMF (MTN.GNS/W/91) and ICAO (MTN.GNS/W/88). He said that he would give delegations and the representatives of international organizations concerned the opportunity to present their submissions, and other delegations the possibility to comment. He suggested that the Group discuss matters arising out of its work on the elements assembled in draft document MTN.GNS/28 which several delegations had identified as requiring early attention. Among these matters, it appeared to him that "increasing participation of developing countries" and "modalities of progressive liberalization" would be suitable starting points. He noted that Group members would need to consider also at which point in time and in which order to deal with other important subject matters. He said that he would also provide an opportunity under item 2.1 to discuss any specific issues mentioned in the Montreal Declaration or arising from the discussions in the Group last year. In addition, he intended to set aside sufficient time during the week for informal consultations. He gave the floor to the representative of India and asked him to introduce the submission of his delegation in MTN.GNS/W/87.

2. The representative of India drew the attention of participants to the main features of MTN.GNS/W/87. He said that the submission was neither comprehensive nor drafted in legal language but aimed at highlighting the basic elements which might go into the building of a framework agreement on trade in services. He stressed that the submission did not contain his delegation's final thoughts on the issues being addressed. He pointed out that the submission mostly followed the structure found in the Montreal text. He introduced the elements contained under the various headings found in MTN.GNS/W/87. These related to definition, transparency, progressive liberalization, national treatment, safeguards, exceptions, regulatory situation and coverage.

3. The representative of the United States appreciated the brevity and clarity of the Indian submission and raised a few questions on its contents. He asked whether the domestic preferences which might qualify

national treatment under the Indian proposal were of a general or specific (i.e. linked to government procurement) nature. On transparency, he recalled that his delegation had problems with the notion of obligations imposed on service providers if it entailed more than complying with the procedural necessities of information requests by regulators. He expressed disappointment over India's exclusion of permanent establishment in the definition of trade in services. On restrictive and anti-competitive business practices, he asked to what extent the Indian delegation distinguished formal obligations written into a framework from what was already available under national competition laws. He emphasized that his delegation had no intention of questioning the contents of national competition laws, even where these might be objectionable for various reasons. He wondered whether in addition to the transfer of know-how and the training which foreign service provision entailed, the Indian delegation felt that foreign providers should be contractually required to transfer specific patentable technologies as a condition of market access.

4. The representative of the European Communities noted that his delegation had some problems with India's approach to definition. He wondered whether the language on regulatory situation referred to problems which were unique to developing countries, noting that all signatories of a future framework would need to adjust regulatory structures in the light of changing realities. He noted that regulatory changes should not nullify or impair any commitments negotiated under the multilateral framework, i.e. not only market access commitments.

5. The representative of Brazil said that the ideas expressed in MTN.GNS/W/87 were very similar to what was contained in his delegation's latest submission. He welcomed the fact that MTN.GNS/W/87 provided the GNS with a clear indication of what the structure of the framework agreement should be.

6. The representative of Canada felt that, in regard to definition, the sectoral testing exercise had clearly revealed the importance of permanent establishment as a desirable vehicle for delivering some types of services. While a right to such establishment might not necessarily be required, it was essential that it be considered as a possible mode of delivery. On transparency, he was unclear as to how an intergovernmental agreement might be made to apply equally to governments and market operators. He asked whether governments would have to take on obligations to require home country firms to operate in certain ways and wondered how this would work in the case of multinational corporations, noting the obvious problem of extra-territoriality which such obligations might entail. He felt that the principles which the Indian delegation felt should govern the process of progressive liberalization were more in the nature of negotiating guidelines. He sought clarification on the use of the word flexibility in regard to the process of progressive liberalization, noting that once negotiations were concluded the rules of any agreed regime would have to be clear and not subject to interpretation. Under both national treatment and market access, he sought clarification on how India's suggested conditions of entry and operation would operate in practice. In particular, he warned against the dangers of loading up market access provisions with issues which related more to national treatment. On the increasing participation

of developing countries, he alluded to a potential contradiction between suggested changes in immigration policies and the treatment of immigration matters under the section on definition. He asked what precise undertakings the Indian delegation had in mind in regard to the recruitment of personnel from the most economically advantageous sources. He recalled that his delegation shared India's approach on coverage.

7. The representative of Sweden, on behalf of the Nordic countries, said that his delegation's objectives regarding transparency went further than the rather limited idea of prompt publication and establishment of an enquiry point found in the Indian submission. When the representative of India said that transparency obligations should apply equally to providers it would be interesting to know more precisely what it meant. As regarded the idea of giving individual developing countries a somewhat longer time frame for establishing an enquiry point, he said that his delegation considered this would have to be discussed in greater detail. He agreed with the representative of India that national treatment should be an objective of the negotiations but added the caveat that, as a guiding rule, for market access to become economically meaningful it should be the basis on which market access was granted. There would be exceptions to national treatment but these would have to be specified in individual country schedules. As regarded the element of conditionality on national treatment, his delegation presumed that these conditions or exceptions were clear and transparent and not attached in an arbitrary fashion after market access negotiations had been concluded. He asked what conditions the representative of India had in mind and how they would operate, noting that his delegation felt that such conditions should constitute part and parcel of bindings for the value of concessions not to be undermined. Regarding restrictive business practices and technology transfers, he largely joined the comments of the representative of the United States as to the validity of national competition laws as well as to the difficulties - if not the impossibility - of entering into legal obligations that mandated the transfer of proprietary technology. In its section on increasing participation India stated that national immigration regimes should be liberalized. This, he felt, seemed to contradict what the Indian delegation had suggested in its section on definition, namely that international immigration shall not be covered. He recalled that the Nordic countries did not see a services framework as an instrument for the wholesale liberalization of either investment or immigration. Another aspect where his delegation felt the Indian paper gave rise to problems was when it spoke of increasing export earning capacities. This lent legitimacy to the concept of export performance requirements and was therefore of some concern to his delegation.

8. The representative of Switzerland welcomed the approach of India to coverage and agreed that no service should be excluded from the scope of the framework agreement. He recalled that his delegation had never favoured a general approach on definition but rather believed in the virtues of a specific approach whose main operational features consisted of a positive list and of bindings. He asked how long would the notion of temporariness be in its longest extension. As regarded the language on national treatment and market access contained in MTN.GNS/W/87, his delegation drew a distinction between conditions of entry and of operation,

noting that the latter should not be used as a means to circumvent commitments made under the framework, nor as disguised restrictions to trade. He added that both types of conditions should potentially form part of liberalization undertakings in the GNS. Finally, he asked why the Indian submission had referred only to safeguards for balance-of-payments purposes.

9. The representative of Cameroon said that his delegation was in broad agreement with the contents of MTN.GNS/W/87. He shared in the belief that permanent investment and immigration should not be covered by the definition of trade in services. On transparency, he asked whether the Indian delegation felt that the establishment of national enquiry points should be compulsory or optional for developing countries. He agreed that the process of progressive liberalization was inherently long-term in nature and sought clarification on the security and other exceptions which India mentioned under this item. He said that regional integration efforts were of crucial importance to the economic well-being of many developing countries, noting that the framework should allow departures from full m.f.n. and permit developing countries to exchange preferential concessions among themselves. He recalled that the objective of increasing the participation of developing countries should be reflected in all of the various sections of the framework and not merely constitute a separate heading. He stressed the importance of strengthening the technological capabilities of developing countries through appropriate framework provisions.

10. The representative of Yugoslavia felt that the Indian submission flowed well from the negotiated mandates agreed upon at Punta del Este and Montreal. On definition, she sought clarification on use of the word temporary in regard to the movement of production factors. On safeguards, she asked whether the withdrawal or modification of schedules of concessions would operate through a dispute settlement mechanism.

11. The representative of Egypt felt that the treatment of definitional issues in the Indian submission was in keeping with the Montreal ministerial mandate. He stressed the importance of applying transparency obligations to service providers, noting that the ultimate objective of the negotiations was to achieve an equilibrium of rights and obligations among signatories. He said that the language on market access was of considerable relevance to his delegation and that more work would be required to translate such language into operational commitments. He recalled the importance of seeing the objective of increasing participation reflected in the agreed language on market access and progressive liberalization. His delegation shared the ideas put forward by the Indian delegation on the issue of exceptions.

12. On transparency, the representative of Peru agreed that service providers needed to take on certain obligations, even if such obligations differed from those borne by signatory governments. He emphasized that national treatment could only be granted once market access conditions had been negotiated. With regard to m.f.n./non-discrimination, he felt that integration agreements needed to be provided for. He said that his delegation shared many of the ideas contained in MTN.GNS/W/87 on the

increasing participation of developing countries. The idea of liberalizing national immigration regimes was, however, rather new and needed further consideration. He stressed that safeguard measures might be foreseen not only for balance-of-payments purposes but also, inter alia, for environmental reasons.

13. The representative of Hungary said that establishment and commercial presence should be included under certain conditions in the definition of trade in services. Regarding the mobility of labour, he agreed with the point made in the communication that permanent immigration or settlement should be excluded from the agreement while temporary forms of movement constituted very important means of securing access to a particular market and should figure in the definition. He understood the Indian communication to be suggesting that there was scope for liberalization regarding restrictive immigration regulations applying to the temporary mobility of labour. The process of progressive liberalization should include specific liberalization commitments. He stressed that progressivity was set out in the Montreal text to apply according to the level of development of individual countries. He agreed that conditions could be stipulated under which market access was granted. Another qualification to the application of market access and national treatment could be the granting of preferential treatment to domestic providers. He enquired whether the Indian delegation envisaged the granting of subsidies as acceptable forms of that treatment. On m.f.n. he asked whether an exception could be envisaged with respect to regional integration arrangements. He agreed that the framework should recognize the right of signatories to introduce new regulations, given the asymmetries existing among the regulatory frameworks of different countries.

14. The representative of Pakistan agreed with the point made in the communication from India that no internationally traded or tradable services should be a priori excluded from the framework agreement. He emphasized that the framework should cover services provided by skilled, semi-skilled and unskilled labour across borders and agreed with the Indian delegation that cases involving permanent establishment and foreign direct investment should not be covered by the definition on trade in services. On transparency, he agreed with the points made in the communication but called attention to the financial and administrative burden the establishment of national enquiry points could entail. He enquired whether the gradual and long-term process of extending market access was to imply multilateral or bilateral negotiations - or both. He agreed that the principle of m.f.n. should be applied on an unconditional basis and supported the exceptions to the principle regarding the granting of preferences by developed to developing countries. The concept of increasing participation of developing countries should be an integral part of the agreement, providing for the relaxation of immigration regimes in order to enable firms to recruit personnel from the source which was economically most advantageous. He stressed also the need to give developing countries the flexibility to require foreign service providers to build up the export earning capacity of the domestic services sector. He was in agreement with the language contained in the sections on safeguards and regulatory situation.

15. The representative of Nigeria agreed with most of the points made in the communication from India. On transparency, he did not see any problem with the application of the principle to providers of services. He welcomed the point made under progressive liberalization that the liberalization process should conform with the national policy objectives of the country granting market access. Under increasing participation of developing countries, he agreed with the emphasis placed by the Indian delegation on the need to facilitate effective market access for services exports of developing countries.

16. The representative of Japan shared many of the views expressed by the representatives of Canada and the Nordic countries on the communication from India. He sought clarification as to the extent of the transparency obligation as it was envisaged to apply to providers of services. Should transparency commitments cover commercial secrets, for example. On progressive liberalization, paragraph 4.2, which had been described by the Indian delegation as a set of guidelines, still lacked sufficient precision in order to be operational. He enquired whether the conditions attached to the granting of market access could be covered by a country's initial commitment or whether the recipient country should have a carte blanche in the establishment of such conditions.

17. The representative of China supported most of the points made in the communication from India and hoped that the communication would serve as a basis for the forthcoming negotiations on a multilateral framework.

18. The representative of Jamaica fully supported the Indian proposal. He linked the gradual and long-term process of extending market access to the need for developed countries to expedite the extension of access to their markets to firms from developing countries. National treatment should not follow automatically once access to a particular market was granted. The section on market access illustrated some of the conditions which developing countries should have the right to attach to the granting of market access. On increasing participation of developing countries, he appreciated the emphasis placed on temporary labour mobility, domestic financial and non-financial incentives and the need to facilitate effective market access for services exports of developing countries. On regulatory situation, his delegation would prefer a formulation which emphasized more directly that measures introduced to redress asymmetries should be consistent with commitments undertaken under the framework agreement.

19. The representative of Morocco supported most of the points made in the Indian communication, including: the avoidance of excessive administrative or financial burden on developing countries with regard to transparency obligations; the emphasis placed on progressive liberalization as a gradual and long-term process; the language under the section on national treatment; and the comprehensive nature of the approach envisaged under increasing participation of developing countries.

20. The representative of Korea said that the definition to be adopted by the Group should reflect a balance in the treatment of capital and labour mobility. He requested clarification on the meaning of "security and other exceptions" which appeared in the communication from India as one of the

principles governing the process of progressive liberalization. He also would like to know more about the conditions the Indian delegation envisaged to attach to the granting of market access and national treatment.

21. The representative of Sri Lanka supporting most of the points in the Indian communication highlighted the following: the indicative definition of trade in services provided under paragraph 2; a general transparency obligation applying to providers of services; and the need for providing on a priority basis for the relaxation of restrictions on the international flow of labour.

22. In reacting to comments and enquiries made by other delegations, the representative of India said that permanent establishment or the permanent movement of labour across borders should not be considered to be trade in services. He stressed that in the communication the reference to the liberalization of national immigration regimes was only intended insofar as it touched on the temporary movement of labour and professionals. The transparency obligation should require providers of services to provide only relevant information, and not necessarily commercial secrets or other confidential information. As to restrictive and anti-competitive business practices of private providers of services, home governments could share the responsibility to control the behaviour of their firms overseas as the enforcement of competition laws was often very difficult in developing countries. There was need for cooperation among developed and developing countries in this area and such cooperation could be provided as an obligation in the framework agreement. His delegation envisaged the process of liberalization to occur through rounds of multilateral exchanges of concessions based on the principle of unconditional m.f.n. He clarified that the exceptions under item V of paragraph 4.2 on progressive liberalization were spelled out in paragraph 10.1 - i.e. national security and protection of public order, public morals, health, socio-cultural values and the environment. He stressed that the notion behind conditions being attached to the granting of market access was not that they should function as disguised restrictions but that they should be negotiated each time access was sought and that once negotiated treatment no less favourable than that accorded to national services and/or services providers would be granted as well. The absence of a reference to regional integration arrangements under the section on m.f.n. was not an oversight, but his delegation remained flexible on the issue. The point made in paragraph 8.2 of the section on increasing participation of developing countries was intended to pave the way for the inclusion of transfer of technology in the agreement as a condition to be attached to the granting of market access. Performance requirements were also envisaged as relevant conditions in that respect.

23. The Chairman suggested that the Group take up the question of the increasing participation of developing countries.

24. The representative of Brazil noted that most of the section in the draft document MTN.GNS/28 on this subject was in brackets which, in his view, represented a retrogression from Montreal. One way to start eliminating the brackets was to understand why the brackets were there. In

this regard, he considered that it was important to integrate all the provisions found in section (f) of the draft document into the other elements of the paper. He was not sure how this could be done but suggested that further thought should be given to this task. Secondly, he said it was necessary to devote more time to seeing how provisions could be drafted to facilitate market access for service exports from developing countries. Thirdly, he suggested eliminating from the outset paragraph 3 of section (f) of the draft document which by its content tended to negate the whole of the section. Finally, he said that the debt concerns of developing countries and their services deficits were important and should be provided for in the framework.

25. The representative of the European Communities identified three options in addressing the development issue: first, the classic GATT approach was to take it as an after-thought and address it in terms of Part IV and the enabling clause as a generalized derogation from obligations for developing countries; for a number of reasons, this was not an avenue the Group should be following in the services negotiations. Second, development could be left to the negotiations as a preambular issue without laying down specific rules; this approach raised questions in terms of the goals of growth and development defined at Punta del Este. It was therefore necessary to find a middle way and, as a third option, the GNS could define the contents of any provisions aimed at promoting development in terms of what was allowed and when. In this regard, he differed with the Brazilian delegate that paragraph 3 was contrary to the spirit of Montreal; on the contrary, it was the best way of insuring that there were meaningful provisions in this agreement which would meet the justified aspirations of developing country participants.

26. The representative of Cameroon said that the increasing participation of developing countries was not a simple moral commitment but should consist of appropriate concrete measures which had to be worked out.

27. The representative of Mexico agreed that the provisions dealing with development should cover the totality of the agreement and should not be a Part IV-type arrangement. He agreed that section (f) contained a number of paragraphs which were of a preambular nature and that one of the tasks of the Group was to give operational content to many of these paragraphs.

28. The representative of Nigeria said it was necessary for developing countries to develop their domestic services capacity as a prerequisite for their increasing participation in trade in services. There were certain elements which could permit the effective utilisation of the factors of production in which developing countries had comparative advantage and these should be included in the document. Turning to specific issues, he noted that effective market access for developing countries was a basic question which had not found a place in section (f) of the draft document.

29. The representative of Pakistan asked how the development issue could be included in concrete terms in the framework: should it be put under a separate heading or should it be woven through the different elements of the framework? His delegation was open-minded on this issue. The task of the Group was to draw up operational elements to promote the development of



developing countries and which would strengthen their domestic capacity, efficiency and competitiveness.

30. The representative of China said that to strengthen the domestic services capacity of developing countries, they should be permitted to provide financial and non-financial incentives to domestic services providers. Technology and know-how transfer from foreign providers to developing countries should be encouraged. In order to facilitate effective market access for services exports from developing countries, preference should be granted by developed countries in respect of access to commercial information networks and distribution channels. Restrictions on cross-border movement of personnel, ranging from unskilled to skilled, should be liberalized. Technological and financial assistance to LDCs, the right of developing countries to open fewer services sectors, and autonomous liberalization measures among developing countries were also needed.

31. The representative of Tanzania emphasised that the asymmetry between developed and developing countries in terms of capacity in international trade in services be recognised as the basic problem to be addressed in the GNS. Furthermore, he drew attention to the need to address in a concrete manner the problems of the least developed countries.

32. The representative of Jamaica said that the increasing participation of developing countries should flow from strengthened domestic capacity and enhanced export capacity. Specific measures would need to be agreed upon and should pervade the entire framework rather than be an afterthought. He considered that such measures would be more easily agreed upon if the general approach itself was fully accepted, i.e. that the increasing participation of developing countries should be oriented towards enhancing services exports of developing countries.

33. The representative of Peru said his delegation wanted to see an operative agreement which recognised the different aspects of economic development which should not have a separate Part IV-type chapter.

34. The representative of Argentina said the development issue could be dealt with either (a) by including it in a preamble or (b) by defining criteria or principles which would govern the negotiations or (c) by concentrating on specific rules. Comparing these options, he said that a preamble in practice would be only relatively applied if at all. The rules or principles governing the negotiations would be of a temporary nature, lasting only as long as the negotiations lasted and everything would depend on whether there was some real exchange of concessions in the Uruguay Round. In his view, therefore, the Group should make a particular effort to try and focus on what could be included as specific rules or obligations within the framework agreement. For example, when an obligation involving national treatment was involved, the framework should enable developing countries to exercise a different form of national treatment. Another example was that of subsidies where some type of export subsidies could be contemplated for developing but not for developed countries.

35. The representative of Canada stressed that the discussion on development-related concerns needed to be more specific. Participants agreed on the importance of the treatment of such concerns in the framework agreement but so far there were few concrete proposals on the subject. He warned that the Group was not in the business of writing a multilateral resolution but a multilateral contractual obligation, the operation of which would be tested on its specifics and not on its general principles.

36. The representative of Brazil said it was imperative that in this current round of negotiations the issue of the development of developing countries be treated in a manner consistent with the situation these countries faced in the world today. It might also be prudent to provide for the increasing participation of developing countries in world services trade through a separate section in the framework agreement - as had been the case in the Montreal text. Such a separate section should not, however, obviate the need to reflect development-related concerns throughout the agreement.

37. The representative of Czechoslovakia said that a framework on trade in services should provide for an increasing participation in world services trade for countries which had less developed services sectors and export supply capacities. This should imply that those countries could have greater flexibility in implementing liberalization commitments than countries with stronger domestic services capacities.

38. The representative of India recalled the eight elements which were relevant in the consideration of the developing country participation in the multilateral framework and which he had listed in the meeting of 23-25 October 1989 (paragraph 71 of MTN.GNS/26). He stressed that since then efforts had been made towards a more consistent treatment of the concerns contained in that list.

39. The representative of Japan highlighted the point made by other delegations that the discussion on development needed to be more specific. The Group was under a heavy time constraint in accomplishing its task and was in need of suggestions by developing countries themselves as to how to treat development in the framework agreement.

40. The representative of the United States said that Section II.(f) of MTN.GNS/28 on increasing participation of developing countries was overly elaborate, containing language which would be very difficult for his delegation to accept. Accepting that sort of language would be similar to accepting a blank cheque as it was still difficult to know the implications for each individual sector potentially involved. He suggested that careful consideration should be given to the merits of addressing development-related concerns through preambular language as his delegation had done in MTN.GNS/W/75. Before being able to contemplate addressing such concerns elsewhere in the agreement, a discussion on the structure of the agreement was necessary. Only once the Group was clear on the nature of market access commitments, for example, could consideration be given as to how to treat development in an effective manner.

41. Under agenda item 2.1, the Chairman opened the floor to a discussion of Part III of MTN.GNS/28, which dealt with the scope and application of a future framework on trade in services.

42. The representative of the European Communities said that Part III of MTN.GNS/28 did not contain language outlining an approach which his delegation deemed appropriate. He felt that unless the Group made rapid progress on this question, it would not in all likelihood complete its work by the end of the year.

43. The representative of Switzerland felt that there was a clear need to slim down the number of ideas contained in Part III of MTN.GNS/28. He said that his delegation would require further consultations for it to envisage departures from the position it had outlined in MTN.GNS/W/69.

44. The representative of Czechoslovakia said that no services should a priori be excluded from the coverage of the framework under negotiation. He said that a list of tradeable services should be drawn up for the purposes of clarifying the coverage issue. Such a list would be based on an agreed definition of trade in services and would be submitted to updating procedures during the negotiations.

45. The Chairman expressed the hope that, pending further consultations, Group members would be in a position to achieve progress on this important aspect of the negotiations. He recalled that the Group's future work depended to a large extent on early decisions on both the coverage and structure of a framework agreement.

46. The Chairman said that as a result of informal consultations he had had with several governments he would suggest the following timetable and indicative agenda for the GNS meetings until July 1990. For the meeting to be held in the week of 26 February the discussion would focus on structure (part III of MTN.GNS/28), statistics and the role of other international arrangements and disciplines. For the meeting in the week of 26 March the discussion would focus on structure, mechanics of liberalization undertakings including the nature of initial commitments (Part III of MTN.GNS/28), Parts I & II of MTN.GNS/28 (definition and increasing participation of developing countries) and institutional issues (Part IV of MTN.GNS/28). The meeting in the week of 7 May would focus on Parts I & II of MTN.GNS/28 (all aspects), statistics and role of other international arrangements and disciplines, institutional issues (Part IV of MTN.GNS/28), identification of sectors requiring annotations and the nature of annotations, and the initial presentation of kinds of progressive liberalization undertakings that may be pursued by participants. The meeting on the week of 18 June would focus on Parts I & II of MTN.GNS/28 (all aspects), institutional issues (Part IV of MTN.GNS/28), and a further discussion on kinds of progressive liberalization undertakings that may be pursued by participants. Finally, the meeting on the week of 16 July would focus on the completion of work on a draft framework (with submission to a legal drafting group) including consideration of a first set of sectoral annotations. He stressed that the Group would have to follow this agenda with a certain degree of flexibility. Also, the issue of development would

continue to underlie much of the work of the Group in the coming months as had always been the case before.

47. The representative of Japan supported the timetable and indicative agenda proposed by the Chairman, adding that it was sufficiently comprehensive and specific to allow governments to prepare adequately for the forthcoming negotiations.

48. The Chairman adopted the timetable and the indicative agenda of the GNS for the meetings until July 1990.

49. The representative of Brazil said that the development issue would need to be addressed in each and every item of the proposed agenda for the work of the Group to be well balanced. In discussing structure - the first item of the February agenda - for example, the Group should take into account development-related concerns. Similarly, it should be very difficult to have a meaningful exchange on structure without addressing at the same time the issue of definition.

50. The representative of the European Communities warned against too much flexibility in the manner in which the Group approached the proposed agenda given time pressure. He stressed that his delegation, possibly along with many others, would oppose any proposal which implied a framework agreement devoid of any real liberalization commitments.

51. The representative of Thailand said his delegation found the work programme to be very ambitious but reiterated its commitment to participate actively in the forthcoming negotiations.

52. The representative of the United States stressed that the proposed agenda was not an agenda for information-exchange sessions but for real negotiations on the specific items listed. In that sense he agreed with the representative of the EC that the scope for flexibility in the fulfilment of the agenda was very limited.

53. The representative of Colombia said that the issue of development should permeate the discussions to come. The framework agreement should be substantive and countries should not miss the opportunity provided by the GNS negotiations to resolve multilaterally issues which were of great relevance to the development of their national services sectors.

54. The representative of Argentina said that if the great level of ambition reflected in the agenda could be transformed into a truly multilateral framework of rules and principles governing trade in services the task of the GNS would have been accomplished with great distinction. He called attention, however, to the importance of the concept of globality underlying the whole of the Uruguay Round and stressed that it was not sufficient to achieve significant progress in one particular negotiating group if other groups, also of great importance to many participants, continued to move at a much slower pace.

55. The representative of Canada was pleased with the proposed agenda as it accurately reflected the magnitude of the work ahead of the GNS. He

also appreciated the fact that participation in the GNS meetings had been very active, reflecting the real importance of the issue in the context of the Uruguay Round negotiations.

56. The representative of Uruguay shared the concern expressed by the representative of Argentina that the lack of agreement in other negotiating groups could undermine the outcome of the GNS negotiations.

57. The representative of Nigeria welcomed the proposed agenda as a means to add precision to the work of the Group. He suggested that the discussion in the February meeting on other international arrangements and disciplines could be complemented by communications from the relevant institutions themselves. He shared the views expressed by the representatives of Argentina and Uruguay on the globality of the Uruguay Round negotiations. Finally, he supported the idea that the proposed agenda could benefit from some flexibility in the manner which it was fulfilled.

58. The representative of Pakistan said that the level of ambition reflected in the agenda would require that it be fulfilled in a balanced manner so as to take on board the interests of all participating countries. The issues of coverage and definition should take priority over other issues. He also agreed with the views expressed by others on the globality of the Uruguay Round negotiations, noting that the work programme of certain other groups did not reflect the same level of ambition as that of the GNS.

59. The representative of Brazil said that the agreement would need to be substantive and general in order to do justice to the diversity of services sectors and of national services structures. He reminded once again the Group that times had changed and that the development question had since the establishment of the GATT acquired a new dimension which could no longer be neglected in multilateral trade negotiations such as the ones pursued by the GNS.

60. The representative of India said that the priority given by his delegation to specific issues did not change as a result of the order or content of the items included in the proposed agenda.

61. The Chairman then adjourned the meeting.