

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

**MTN.GNG/NG9/18
17 July 1990**

Special Distribution

**Group of Negotiations on Goods (GATT)
Negotiating Group on Safeguards**

MEETING OF 3 AND 6 JULY 1990

Note by the Secretariat

1. The Negotiating Group met on 3 and 6 July 1990 under the Chairmanship of Ambassador G. Maciel of Brazil.

A. Draft text of a comprehensive agreement (MTN.GNG/NG9/W/25/Rev.1)

2. On 3 July 1990, the Group received from its Chairman a revision of the draft text of a comprehensive agreement on safeguards. The Chairman recalled that he had prepared in June 1989 an informal draft (MTN.GNG/NG9/W/25) on the basis of the authority given to him by the mandate of the Mid-Term Review Meeting of the TNC. Several revisions had been made to that draft text since then. These represented the outcome of substantial efforts on the part of delegations who had in the interim offered proposals and amendments. He said that this week was the last opportunity before the Group had to submit to the Chairman of the GNG a text representing a "profile" of an agreement, for the consideration of the TNC meeting in July 1990. It was his intention to immediately reinstitute informal consultations with a view to presenting the Group another revision of the text by the end of the week. He stressed that it would still be a chairman's text indicating the general trend of thoughts as well as the doubts and the divergences among participants. While the text would continue to be the basis for negotiations, participants would be free to submit further proposals and amendments. He would seek the Group's agreement to forward the text to the GNG with a cover note explaining the circumstances he had just described.

3. On 6 July 1990, the Chairman presented to the Group a revision of his draft text (MTN.GNG/NG9/W/25/Rev.2) with a cover note. He reiterated that it was still a Chairman's paper. While the main points of divergence had been highlighted by the square brackets, it did not mean that there was agreement on the remainder of the text. In fact there were many important points where agreement was lacking. For instance, paragraphs 1 and 2 dealing with definitions had yet to be agreed by all participants. A new drafting suggestion on the footnote on paragraph 3 of the text had not been thoroughly discussed. There was no formal agreement on the number of years

which would be the total period of the application of safeguard measures in paragraph 11. Paragraph 13 was another example where no conclusion was reached on the number of years. Section III dealt with a controversial subject. There were many proposals to expand the scope of this Section while others had suggested the deletion of the entire Section. Chiefly due to lack of time, the Group was unable to come to a conclusion on how best to deal with this Section yet. There was also no full agreement on paragraphs 22 and 23 dealing with the elimination of certain measures. There were numerous proposals that were still being considered in informal consultations. Some of these would have to be examined again by the Group in the autumn.

4. One representative said that her delegation's proposal on the suspension of counter-measures was conditional upon the maintenance of the m.f.n. principle. Hence, she continued to regard the bracketed paragraph 5 unacceptable. She noted that a number of informal proposals were yet to be discussed in the Group although they were not reflected in the text. In this context, she stated her opposition to a proposal by one delegation, in which an increased burden on public support programmes for agricultural products was included as a factor to be taken into account in injury determination. She could not accept any exception for any product group in the context of negotiating a safeguards agreement.

5. One delegation said that the draft text did not provide adequate balance to one fundamental element - the use of adjustment assistance measures as safeguard measures.

6. One delegation said that it was of vital importance that a comprehensive agreement on safeguards should strengthen GATT and reinforce its disciplines, not weaken them. This agreement should set out the objective criteria governing the use of safeguard measures based on the m.f.n. principle. It was unfortunate that a relatively small number of countries continued to ask for deviations from this basic principle of GATT. This agreement should also seek to establish multilateral control over measures that escaped such control.

7. The above statement in paragraph 6 was supported by a number of representatives who spoke afterwards.

8. The Negotiating Group approved the cover note and agreed to submit it together with the draft text in MTN.GNG/NG9/W/25/Rev.2 to the GNG.

B. Other business: Date of next meeting

9. It was tentatively agreed that the next meeting should be held on 11 and 14 September, subject to the decision by the GNG on the programme of meetings for the autumn of 1990.