

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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STATEMENT BY MEXICO AT THE MEETINGS OF THE
GNG AND THE TNC IN JULY 1990

There is very little time left to conclude the Uruguay Round, and it has still not been possible to arrive at a clear idea of the overall profile, or even the profiles in individual areas, of the results that may be achieved. Consequently, we must step up the pace. However, we must do so, now more than ever, without failing to respect the need to advance by consensus.

Unfortunately, the work carried out since the previous meeting of the TNC has not brought us to an overall outline of the new benefits and obligations to be obtained at the conclusion of the Round. Nevertheless, we may at least say that it has become quite clear what are the real problems that will have to be overcome in order to obtain the results we all await.

May I say that from my country's standpoint, and from an overall perspective, two central obstacles we face in achieving the objectives agreed on in the Punta del Este Declaration are, at this moment, the lopsidedness of progress in the various negotiating groups, and the lack of any willingness to evolve in our own negotiating positions so as to allow real progress in our work. The lack of clear indications as to the possibilities of reaching an understanding in the various negotiating areas has meant that participants have adopted increasingly rigid attitudes at a time when exactly the opposite is needed.

That is why all of us in these negotiations, and certainly my Government, entertained high expectations for this meeting of the TNC. And it is with disappointment and deep concern that we note the loss of the opportunity it represented. Time is increasingly short, positions inflexible, and the future uncertain.

In the absence of the meaningful dialogue which Mexico hoped and remains prepared for, may I venture to make a contribution to that end, concentrating on issues of substance. I do not intend to go through all the Uruguay Round issues and repeat my country's position on each of them. But I do wish to refer to some of the key problems on which we have been unable to advance, and which are of great concern to Mexico.

With regard to market access, the rollback actions which, in accordance with the understanding established by Mr. Enrique Iglesias, then Chairman of the TNC, should have begun to be notified as of December 1987, have not taken place.

It is a matter of concern that many participants have excluded the agricultural sector from the tariff negotiations, without assuming an equivalent commitment in the agricultural Negotiating Group. Again, zero tariff proposals have been put forward for certain markets; and while these are positive from the standpoint of their final intentions, they create a delicate imbalance in the handling of our various interests, which is something that must be avoided. Furthermore, bilateral requests are being addressed to developing countries which are very far-reaching and go well beyond the actual possibilities of tariff reduction payable in return. In short, this process reveals a clear and disturbing imbalance and immobility; each participant is looking after his own interests, with little spirit of co-operation or compromise. The only way forwards is by a collective decision to advance in market access issues at least evenly on all products, while going further on tropical and other products, and complying strictly with the objectives and commitments set out in the Punta del Este Declaration.

Moreover, since genuinely multilateral procedures could not be agreed for the tariff negotiations, those negotiations are de facto being carried out basically on a bilateral basis. This has considerably reduced the scope of the negotiations. Worse still, it has in turn undermined compliance with the agreed ministerial commitments as regards the objective of reduction and the means of attaining it, and in particular as regards the concepts of the "base rate" for the negotiations and the "credits and recognition" for measures taken autonomously and tentatively during the Round itself.

Mexico submitted a substantive proposal covering all its products. We hope that the other participants in the Round will do the same, in strict compliance with the agreements achieved earlier and in as constructive a spirit as possible.

The state of affairs as regards textiles and clothing is not any more encouraging. Here, instead of a narrowing of the gap between positions on how to proceed in order to integrate the sector into GATT, a text has been produced in which not only have the existing differences increased but in addition conditions have been added: they are such that to accept them would seriously endanger the entire integration process. How is it possible that at this stage in the Round there are still attempts to think up and propose ways of conserving the main features of the Multi-Fibre Arrangement or even more restrictive and uncertain systems than the present one, as a basis for the transitional agreement.

In agriculture, serious differences exist as to the scope and form of the reform process. Mexico views what is taking place, and what is continuing not to take place, in this Group with great concern. As with

the rest of the Round, Mexico has given its full support to the process of agricultural reform in the four negotiating areas, and is prepared to go as far as the other participants want. Nevertheless, it must be quite clear that we have never said that we would give unqualified support to the negotiations whatever their results. Our interests may be peripheral to the central problems of the sector, but as far as we are concerned they are central.

Mexico fully supports and will continue to support the reform process, provided, firstly, the negotiations cover all agricultural products, including fruit and vegetables in particular, and not only basic foodstuffs, and secondly, provided the objectives and procedures of the Group satisfy our concerns as regards market access for those products. The lack of multilateral disciplines and genuine improvements in access for our exports of horticultural products would drastically reduce our possibilities of contributing to the reform process. Our position in this Group will depend entirely on product coverage and the ensuing commitments.

We are also concerned at the fact that the work on natural-resource-based products and tropical products, to which I have already referred, has been held up on procedural grounds in some cases and by unjustifiable substantive disputes in other cases, to the detriment of the interests of the developing countries as a whole.

Going on to rule-making issues, clearly there has been some progress here in the definition and identification of the improvements that could be agreed with regard to the GATT Articles as well as the review of the Tokyo Round Agreements - safeguards, subsidies and countervailing measures and dispute settlement.

Mexico supports a strengthening of the GATT rules and disciplines and has submitted proposals to that effect. However, negotiations on these improvements should not give rise, firstly, to any deformation or weakening of the multilateral trading system through the introduction of elements that have nothing to do with non-discrimination among parties, nor, secondly, to any distortion in the balance of the basic rights and obligations of the General Agreement.

Progress in these areas, as in others, must be balanced and benefit all participants. The aim must be to clarify and resolve the shortcomings that have arisen in the interpretation of the rules of the GATT system, providing greater security and predictability in their application and in compliance with them. Our objective is to prevent protectionism, not the other way round.

In particular, Mexico attaches great importance to strengthening disciplines on unfair practices. Greater transparency is called for in connection with the launching of anti-dumping and countervailing duty investigations and imposition of such duties on the basis of a stricter

injury test, and an effective mechanism is required for the review of such decisions. It is essential to ensure that the imposition of such duties does not continue to be a real form of trade harassment, preventing the development of legitimate trade flows based on genuine comparative advantages.

Again, for the success of the Uruguay Round it is vital to strengthen the dispute settlement process. Agreements in this area should include clear and effective commitments to settle trade disputes equitably. That is the only way we will be able to counter the serious tendency which now exists to adopt unilateral measures that undermine the credibility of the multilateral trading system.

Finally, Mexico is prepared to continue working in a creative spirit in the so-called "new areas", on which we have taken a positive stance throughout the process. My country has submitted substantive proposals with regard to trade-related intellectual property rights, including trade in counterfeit goods (TRIPS), trade-related investment measures (TRIMS) and trade in services. In all these areas we have adhered to the corresponding negotiating mandates and have indicated the points that will have to be included in the work in order to facilitate and encourage our participation in any results obtained. It will be counter-productive for everybody if the development, finance and trade needs of developing countries, or the sectors of interest to those countries in these areas, are excluded or insufficiently taken into account in our work.

In particular, results on services that do not include suitable general provisions on the temporary mobility of labour for specific purposes, provisions that would not prejudice the possible decision of any party to make or not to make specific concessions in this sphere, would be most unattractive for Mexico and other developing countries, whose comparative advantages lie precisely in that area of the negotiations.

To conclude, I should like to say, and emphasize, that Mexico supports and endorses the contents of the "Declaration of the Latin American and Caribbean Countries" adopted at the Fifth Consultation Meeting of SELA on the Uruguay Round, which I had the honour to present to this Committee last Monday. In that Declaration we not only reiterate our firm commitment to the objectives of the Punta del Este Declaration, but also suggest forms of action to overcome the problems that will have to be resolved immediately and in the coming months. May I urge all participants, on this basis, to advance and jointly achieve what we have not been able to attain in four years of work, by a common awareness of the vital interests of each of the parties, and of the multilateral trading system which we wish to expand and improve.