

RESTRICTED

MTN.GNG/NG1/W/49

MTN.GNG/NG2/W/78

MTN.GNG/NG3/W/43

MTN.GNG/NG4/W/57

MTN.GNG/NG6/W/51

17 October 1990

Special Distribution

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

Original: English

Group of Negotiations on Goods (GATT)

Negotiating Group on Tariffs

Negotiating Group on Non-Tariff Measures

Negotiating Group on Natural Resource-Based Products

Negotiating Group on Textiles and Clothing

Negotiating Group on Tropical Products

URUGUAY ROUND - MARKET ACCESS

Communication from Sweden

The following communication, dated 12 October 1990, has been received from the Permanent Mission of Sweden.

Market access offer by Sweden

According to the Chairman's summing-up at the TNC meeting last July it was proposed that specific offers on market access for all sectors should be on the table by 15 October. Sweden fully supports that proposal. Consequently offers for all product sectors, without any exceptions, are now being tabled by Sweden.

Tariffs

Sweden presented its initial proposal on tariffs last¹ March. Tariffs were proposed to be cut according to a harmonizing formula¹ applied to all tariff items in HS Chapters 25-97. Some duties were proposed to be eliminated in accordance with the Montreal package on tropical products. All duties were proposed to be bound at the resulting tariff level.

The GATT secretariat analysis of Sweden's proposal shows that it would result in a weighted average tariff rate of 3.3 per cent, which corresponds to a reduction of 28.3 per cent. More than 83 per cent of imports would face duties below 5 per cent, over 99 per cent below the level of 10 per cent. The scope of bindings in HS Chapters 25-97 would reach 100 per cent. In our view the proposal fully meets the targets of the mid-term agreement.

¹ $R = D + 20$ where R is the percentage rate of reduction and D is the base rate in the negotiations.

MTN.GNG/NG1/W/49
MTN.GNG/NG2/W/78
MTN.GNG/NG3/W/43
MTN.GNG/NG4/W/57
MTN.GNG/NG6/W/51
Page 2

The conditions stated in the proposal were the following: "Final decisions on the binding, development or reduction of the proposal will be taken in the light of Sweden's assessment of concessions made by all other participants in the negotiations. Sweden will also evaluate the concessions made by other participants in other areas of interest to Sweden in the Uruguay Round negotiations."

These conditions have been reiterated in the bilateral requests made by Sweden for improvements of initial proposals made by other participants. According to our present assessment, i.e. not taking into account possible improved offers on 15 October, progress in the tariff negotiations has so far been disappointing, although some positive steps have recently been taken by certain participants. However, in Sweden's view, which is supported by the secretariat analyses of thirty-two proposals, few other participants so far meet the Montreal objectives. It should therefore be clearly stated that substantially improved offers will be required from most participants if the basic conditions for Sweden's proposal are to be met.

While reiterating this conditionality, Sweden is ready to put its initial proposal on the table as an offer. We are convinced that all efforts should now be focused on securing the Montreal objectives for the negotiation. We sincerely hope that all other participants share this view and, in their offers presented on 15 October, show readiness to assume their share of the responsibility.

However, Sweden's ambitions for the negotiations go further than that. Consequently, if our basic conditions are fulfilled, Sweden would, on a reciprocal basis, be prepared to negotiate further tariff cuts over and above the Montreal targets. Such improvements could be negotiated on a systematic, sectoral or line-by-line basis. As has been made clear on a number of occasions, Sweden has a strong interest in several of the sectoral proposals put forward by certain participants, inter alia, pharmaceutical products.

A small number of items in the initial Swedish tariff proposal have, inter alia, in accordance with the guidelines for the negotiations on agriculture, been transferred to the Swedish offer on agriculture and will now be negotiated in that context.

Tariff offers for fish and fish products as well as certain tobacco products are now also tabled in the negotiating group on tariffs. The background and conditions for these offers are described below under the headings "Fish and fish products" and "Tobacco products".

Non-tariff measures

Sweden participates actively in the bilateral negotiations on non-tariff measures. To that end requests have been presented to twenty-four participants in the Round and requests have been received from seventeen participants.

Sweden has answered to and commented upon all requests in bilateral meetings. A large number of the requests relate to measures in the area of agriculture and will be dealt with in the Swedish offer on agriculture. Some requests have been withdrawn, while for others a mutually accepted explanation has been given. For other requests Sweden is now preparing written explanations and clarifications.

Sweden has advocated separate negotiations for tariffs and non-tariff measures. However, we recognize the need to evaluate in conjunction the results achieved in these two areas. Unfortunately, the reactions to Sweden's requests received so far have in general been less than satisfactory.

Natural and resource-based products

Sweden's comprehensive market access offer encompasses all product sectors, including natural resource-based products.

Textiles and clothing

All textiles and clothing products are included in the Swedish tariff offer. Furthermore, the decision taken in 1988 by the Swedish Government to abolish all bilateral quota restrictions at the expiry of the present MFA, i.e. 31 July 1991, will significantly improve access to the Swedish market.

Agriculture

Sweden's offer on agriculture, which will be presented in the near future, includes an offer on border protection.

Fish and fish products

The question of where, i.e. in which negotiating group, negotiations in the Uruguay Round on market access for fish and fish products will be handled has not yet been finally settled. Sweden holds no categorical views on this subject, with the important exception that we exclude the possibility of negotiations on access to fish resources in the GATT context.

MTN.GNG/NG1/W/49
MTN.GNG/NG2/W/78
MTN.GNG/NG3/W/43
MTN.GNG/NG4/W/57
MTN.GNG/NG6/W/51
Page 4

In accordance with the guidelines adopted in NG5, fish and fish products are not covered by the Swedish offer on agriculture. Therefore a separate Swedish offer on fish and fish products has been introduced in the negotiating group on tariffs.

The Swedish offer includes tariff cuts according to the formula applied by Sweden for industrial goods in HS Chapters 25-97. Bindings are offered at the resulting tariff levels for all fish and fish products items, as defined in the guidelines adopted in NG5.

The offer is made without prejudice to where actual negotiations will take place. Sweden is open to negotiations covering all aspects of market access for fish and fish products. The offer as well as possible revisions of the offer are strictly conditions on reciprocal commitments being made by our most important trading partners in the fish and fish products area.

Tobacco products

In accordance with the guidelines adopted in NG5 certain tobacco products are not covered by the Swedish offer in agriculture. These products are now included in the Swedish tariff offer. The offer includes tariff cuts according to the formula applied by Sweden for industrial goods in HS Chapters 25-97.

Tropical products

Sweden last March presented its proposal on tropical products, which conforms to the proposal on tariffs. The proposal includes the already implemented contributions made by Sweden as part of the mid-term agreement on tropical products.

The proposal would result in an average weighted duty for all tropical products of 1.2 per cent.

Reiterating the conditionality stated in the proposal, it is in its entirety being presented as an offer.

Products in HS Chapter 1-24 were with one exception not included in the March proposal. For these chapters, products from developing countries with few exceptions already enter the Swedish market at duty free rates, m.f.n. or GSP.

All tropical products in Chapters 1-24 will be covered by the Swedish offer on agriculture.