

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNS/W/146
14 January 1992

Special Distribution

Group of Negotiations on Services

TRANSPORT SERVICES

At the request of the Chairman of the Group of Negotiations on Services, the following letter is being distributed to all participating countries.

Dear Participant,

1. In the latter part of the negotiations directed towards the completion of the draft of the Final Act (MTN.TNC/W/FA), participants in the GNS had intensive discussions pertaining to transport services. An annex on air transport services was developed and is contained in the draft General Agreement on Trade in Services. On maritime and road transport services, there was no agreement on whether an annex was necessary.

Maritime Transport Services

2. With respect to maritime transport services, discussions focused largely on a proposal by the Nordic countries for a common approach to liberalization (MTN.GNS/W/135, Add.1 and 2). A proposal by Cameroon on behalf of twenty-four African countries members of the Ministerial Conference of West and Central African States on Maritime Transport (MINCOMAR) (MTN.GNS/W/138) was also examined.

3. The Nordic countries proposed:

- (a) the elimination of cargo sharing agreements;
- (b) the progressive elimination of cargo reservation practices and the opening of access to non-military cargos;
- (c) the progressive elimination of discriminatory measures affecting foreign shipping companies in the supply of shipping services;
- (d) a standstill and a commitment to negotiate a liberalization of port and auxiliary services; and
- (e) a commitment to ensure that access to, and use of, port and auxiliary services be accorded on reasonable and non-discriminatory terms and conditions.

4. The proposal by Cameroon noted the importance of maritime transport services to the developing economies of countries in the West and Central African Sub-region and drew attention to the UN Convention on a Code of Conduct for Liner Conferences in this respect.

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5. The proposal by the Nordic countries had the support of a number of participants with important maritime transport industries, who considered the approach to be a means to ensure an acceptable level of liberalization commitments. Addenda 1 and 2 were produced in close cooperation with several other participants.

6. It was suggested that in addressing the issue of the progressive elimination of discriminatory measures affecting foreign shipping companies, consideration should be given to the restrictive practices of closed liner conferences.

7. While there was wide support for liberalization in maritime transport services, there was no consensus on whether an annex calling for liberalization commitments based on a common approach was needed. It was noted that the Articles of the Agreement provided an adequate basis for the negotiation of commitments to liberalize trade in services, including maritime transport services.

8. There was general agreement that the negotiating process leading to the liberalization of trade in maritime transport services would have to address the particular situation of developing countries, inter alia, through transitional arrangements.

9. Many participants were of the view that as the Agreement would not necessarily provide for improved access to, and use of, port and auxiliary services, further work would be necessary in order to ensure that this means of liberalization was properly addressed.

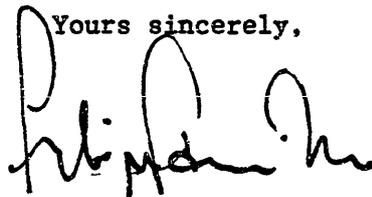
10. In the light of the importance of the maritime transport services sector and the general interest expressed in pursuing its liberalization, further work should be undertaken on maritime transport services in the near future.

Road Transport Services

11. With respect to road transport services, discussions focused on different aspects of the sector, including the regional character of transport services, the importance of the protection and rehabilitation of the environment to protect human, animal, plant life and health, and the need to provide for smooth traffic flows.

12. Though many participants recognized the importance and the special character of road transport services, there was no agreement on whether any of the peculiarities of the sector needed to be addressed specifically under the Agreement.

Yours sincerely,



Felipe Jaramillo
Chairman of the
Group of Negotiations
on Services