

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.TNC/W/102
3 November 1992

Special Distribution

Trade Negotiations Committee

Original: English

COMMUNICATION FROM AUSTRALIA

The following communication from the Prime Minister of Australia, dated 2 November 1992, addressed to the Director-General, has been received through the Permanent Mission of Australia with the request that it be brought to the attention of all participants in the Uruguay Round negotiations.

I have been requested by a significant and representative group of active participants in the Uruguay Round negotiations to convey to you the attached communication concerning the present impasse in the GATT negotiations.

The signatory countries believe that without urgent solutions to outstanding differences, the deadline for successfully completing the Uruguay Round negotiations by the end of this year, which the G7 leaders committed themselves to in July, will not be met.

The concern of signatory countries is that unless G7 leaders act now, the benefits of a successful outcome to the GATT Round will be denied to the entire international community with very serious implications for growth in a wide range of countries with diverse economic interests and for the future of the open world trading system.

Uruguay Round - Message to the G7

Communication from the Governments of Argentina, Australia, Austria, Bolivia, Brazil, Chile, Colombia, Costa Rica, Czech and Slovak Federal Republic, Finland, Hong Kong, Hungary, Iceland, Indonesia, Korea (Republic of), Malaysia, Mexico, New Zealand, Norway, Pakistan, Peru, Philippines, Poland, Singapore, Sweden, Tanzania, Thailand, Uruguay, and Venezuela

When the G7 leaders met in Munich they committed themselves to a year end deadline to finish the Uruguay Round. Without an urgent solution to outstanding differences this deadline will not be met and a successful conclusion to the entire Round will be put at risk. The Round cannot be allowed to fail through lack of political will on the part of G7 countries.

./.

GATT SECRETARIAT

UR-92-0106

The Uruguay Round has been stalemated since the Draft Final Act (DFA) was tabled in December 1991. Already negotiations have dragged on for six years - two years longer than we had all expected, denying the world economy the boost it urgently requires.

Strenuous efforts have been made in recent months to resolve problems which key participants have with the agriculture package in the DFA. We understand that considerable progress has been made. The Round has, however, encountered political difficulties among major participants which are diverting us from the objectives to which we all committed our governments at Punta del Este and in Montreal, and which are holding back the work all participants must do to complete the negotiations.

The benefits of the Round will cover all sectors - agriculture, market access, services and improved rules. All participants will gain. The world trading system cannot risk a failure of the Uruguay Round with all that that would entail. A successful result is needed to promote global economic growth and to prevent a deterioration of the world trading system. It is crucial as well to the development aspirations of many developing and least-developed countries and economies in transition. The remaining differences in our view are certainly bridgeable given the necessary commitment, flexibility and goodwill on all sides.

The economic and trade interests at stake in these negotiations are not those of the G7 alone, but are those of the entire international community. We all need the benefits that will flow from the Round package. Moreover the restructuring and liberalization underway in many parts of the world could be seriously threatened if these processes are denied the encouragement provided by a strengthened GATT system. Delay in concluding the negotiations is already denying the benefits of the Round to the world economy and damaging the credibility of the multilateral system.

We urge the leaders of the G7 countries to intervene now. Three successive communiqués have confirmed G7 commitment to the Round. It is vital that immediate progress be made if the goal which was set at Munich of bringing the Round to a successful conclusion by the end of 1992 is to be achieved.