

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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BANGKOK DECLARATION - CAIRNS GROUP

In a communication dated 1 July 1993, the Delegation of Australia, as Chairman of the Cairns Group, has requested that the Group's Bangkok Ministerial Declaration of 27 June 1993 be circulated to the participants in the Uruguay Round as follows.

The Cairns Group countries meet at a Ministerial level at a time when the whole world is united by a grave economic responsibility.

The global recession has been too long and too deep and the recovery harder to sustain and strengthen than before.

At the same time new protectionist tendencies are emerging. These threaten to turn countries and regions inward, divide and diminish global economic strength and block the rewards of comparative advantage.

And everywhere there are heightened tensions over trade, fermenting disputes and the looming spectre of trade wars.

Since 1990, successive G7 Summits have acknowledged the critical importance of the Uruguay Round to the world economy. Each Summit has pledged to bring the Round to a swift and substantial conclusion.

Three years ago, at Houston the G7 leaders expressed their determination to take the difficult political decisions to do this. They resolved to achieve far-reaching substantial results across all sectors by the end of 1990.

At the London Summit in 1991 the Leaders declared that the aim of all contracting parties should be to complete the Round by the year's end. They committed themselves to "remain personally involved in this process".

Last year, at Munich the G7 "regretted the slow pace of negotiations" and expressed their "expectation that an agreement could be reached before the end of 1992".

Sadly, none of these commitments have been realised.

This year the world cannot afford another failure. The G7 should use the Tokyo Summit to provide leadership for the last, critical phase of the Uruguay Round negotiations. Deeds, not words, are required to secure a real, balanced and genuinely trade liberalizing outcome this year.

The Cairns Group maintains its determination to act positively and constructively to help conclude the Round this year.

Less than six months remain. Following the G7 Summit the whole process of the negotiations should be brought back to Geneva and multilateralized as a matter of urgency.

We remind the Summit that a substantial outcome on agriculture is a central and essential part of the overall package.

We will work within the multilateral process to bring this about.

Essentials of Agricultural Trade Reform

Cairns Group countries have fundamental interests in improved market access and strengthened rules being applied to agriculture. Both elements must be included for there to be an acceptable overall outcome to the Round.

The provisions of the Draft Final Act involve commitments to reduce domestic support and export subsidies and to liberalize market access.

For the last 12 months the focus for resolving remaining problems in agriculture has been on bilateral negotiations between the United States and the European Community. These talks have resulted in a bilateral agreement - the so-called Blair House accord.

In light of these developments, Cairns Group countries look forward to resuming negotiations in Geneva as soon as possible in order to secure a genuinely trade liberalizing outcome to the Uruguay Round negotiations on agriculture.

Fundamental Importance of Market Access

Ministers are deeply concerned that the market access negotiations on agriculture remain stalled.

The existing market access offers and recent measures taken by some major trading partners do not expand but in fact reduce agricultural trade opportunities for a number of products of importance to Cairns Group countries. In other cases, offers have not yet been tabled with commitments on domestic support, export subsidies and market access consistent with the provisions of the Draft Final Act.

An acceptable agricultural market access package will need to be genuinely equitable and trade liberalizing. This will require market access to be expanded and there can be no reduction in access

opportunities for individual products because of the re-instrumentation of import protection measures. Access must be maintained on terms at least equivalent to those existing.

For the Cairns Group it is critical that a satisfactory and balanced overall package takes account of the specific interests and needs of developing countries. This must include tropical products and other products of importance to them.

Ensuring Time for the Multilateral Process

In order to achieve an acceptable outcome an appropriate amount of time will be necessary to remedy shortcomings in the existing market access offers. This is why market access negotiations on agriculture must be effectively engaged in the period immediately following the Summit. If this is not done the Round could be jeopardised simply because of insufficient time.

Cairns Group countries therefore call on the G7 to immediately resolve their remaining differences on the implementation of an enhanced market access package. Failure to do this will slow the total process, complicate multilateral negotiations in Geneva and put a successful overall outcome at risk.

Sanitary and Phyto-Sanitary Measures

The Cairns Group endorses the negotiated agreement on sanitary and phyto-sanitary measures. It forms a substantial part of the package and should not be re-opened.

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The Cairns Group stresses that failure to secure these objectives will very seriously endanger the prospects for finally bringing the Uruguay Round to a successful conclusion. Ministers restated the position that without a substantial outcome in agriculture the Round cannot and will not conclude.