

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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MONTEVIDEO DECLARATION

In a communication dated 20 September 1993, the delegation of Chile, as Secretary Pro Tempore of the Group of Rio, has requested that the Montevideo Ministerial Declaration of 17 September 1993 be circulated to the participants in the Uruguay Round as follows.

Having met in the city of Montevideo on 17 September 1993, with the presence of the Director-General of the GATT, Peter Sutherland, and after having analysed the prospects of the Uruguay Round negotiations, the Ministers of the Rio Group countries express our concern over the present state of the negotiations, as well as our determination to attain a significant and balanced outcome which takes suitably into account the interests of the region.

1. We express our satisfaction at the relaunching of the negotiating process at multilateral level, after two years of scarce progress. The successful conclusion of the Uruguay Round in the next months is an essential condition for overcoming the difficult circumstances currently affecting the international economy and trade.

2. We reiterate our commitment to undertake all the necessary efforts to keep up the impetus of the negotiating process and we urge all participants to observe the objectives and principles established in the Punta del Este Declaration and the agreements reached in the Mid-Term Review.

3. The manner in which negotiations have so far taken place, due to their delay and the bilateralization of the process, has relegated the interests of the region, in breach of the agreements to conduct them with wide participation and transparency. The resumption of negotiations on the basis of these principles constitutes a necessary condition for making up lost time and advancing in these areas.

4. In conformity with the objectives of the Uruguay Round, our countries have unilaterally and substantially liberalized access to their markets. The other participants in the Uruguay Round, in particular the major trading partners, have benefited from that openness. At the same time, our offers of access and our positive contribution in traditional and new areas have helped to advance the multilateral negotiations.

However, the region has not received any reciprocity; on the contrary, its situation has been worsened by the violation of the standstill commitments, the adoption of new protectionist measures and the non-observance of the recommendations of GATT Panels. In this context, we are especially concerned at the restrictions on banana imports recently imposed by the European Community in breach of present GATT rules. Likewise, the restrictions imposed by the European Community on apple imports and by the United States with respect to tobacco are clear examples of this state of affairs.

5. A balanced conclusion of the Round requires a satisfactory result in the area of market access. We note with concern that the situation is still unsatisfactory in priority sectors for our countries, such as agriculture, textiles, tropical products and natural-resource-based products. At the same time, although the "zero-for-zero" proposals presented may benefit the industrialized countries, they do not represent a suitable response to the needs of the region.

6. We reiterate that agriculture is a key and priority sector for the interests of our countries. For the success of the Round and the subsequent approval of the results in a final package by the region, it is essential to achieve substantial results in this area. These should ensure a substantial liberalization of market access, the reduction of internal support and of export subsidies, and the implementation of sanitary and phytosanitary measures on the basis of the rules and disciplines established in the Draft Final Act.

7. The Blair House Agreement, resulting from an understanding between the United States and the European Community, represents a weakening of the Draft Final Act, and a departure from the agriculture liberalization sought by our countries. The region has accepted the Draft Final Act as a basis for reaching an agreement in the agriculture negotiations, despite the fact that its modest scope by no means meets objectives and expectations of the Latin American countries. The negotiations on market access in agriculture should improve its scope, in order to achieve an acceptable package.

We consider that agricultural reform is a permanent process aimed at the removal of all measures distorting world agricultural trade.

8. We consider that efforts to re-open the texts of the Draft Final Act seriously risk disrupting the delicate balance achieved, which may lead to the failure of the Round.

9. The establishment of an institutional framework - Multilateral Trade Organization - to guarantee the observance of the rules agreed to in the Round, including an effective and binding system for the settlement of disputes, is necessary to ensure the balance of rights and obligations of Parties and to prompt States to forego unilateral measures and seek to resolve their disputes multilaterally.

10. It is essential that in the coming months the major trading countries adopt the political decisions required to conclude the negotiations with results which take due account of the various interests in a balanced way and promote the liberalization and expansion of world trade, prevent discrimination and strengthen the multilateral trading system.

The Latin American countries will evaluate the overall package of the Round, and their acceptance will be conditional upon the attainment of these results.

Montevideo, 17 September 1993.