

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)
Negotiating Group on Market Access

MEETING OF 15 DECEMBER 1993

Note by the Secretariat

1. The Chairman noted that this meeting, the last of the Negotiating Group, marked the culmination of the most ambitious market access negotiations in terms of breadth of objective, product coverage, number of participants and achievements. The Negotiating Group had carried out its work in conformity with the negotiating objectives set out in the Punta del Este Declaration pertaining to tariffs, non-tariff measures, tropical products, natural resource-based products, textiles and clothing, and agriculture. At the time of speaking, 95 participants had submitted draft schedules of concessions covering both agricultural and non-agricultural products. Eighteen least developed participants had one additional year to finalise their schedules after the TNC meeting at Ministerial level scheduled for April 1994. He expected that, by the time the TNC met later on 15 December, the substantive market access negotiations on agricultural and non-agricultural products would have been completed. From then on, any concessions exchanged would need to be reflected in good faith in the final schedules. However, it was essential that the level of market access liberalisation results achieved this day should not be reduced so as not to upset the delicate bilateral and multilateral balances in the overall package of results.

2. The Chairman stated that draft final schedules would need to be submitted by 15 February 1994. A process of verification would then take place to ensure that the final schedules duly reflected the negotiated concessions exchanged between participants and that errors and omissions were rectified. Throughout the process of verification and finalisation of schedules, the Secretariat would continue to provide, on request, any technical assistance that participants might require. The verification process would have to end on 31 March 1994 to give the minimum time necessary to ensure that final schedules would be ready to be attached to the Uruguay Round Protocol to the GATT 1994 as part of the Final Act. He recalled that the submission of schedules of concessions was a condition for membership of the World Trade Organisation. He also informed participants that a revised version of the "Modalities for the establishment of specific binding commitments under the reform programme", which had been circulated informally on 10 December 1993, would be issued as an official document¹.

3. All speakers paid tribute to Mr. Germain Denis's chairmanship of the Negotiating Group on Market Access and to the contribution he had made to bringing the negotiations to a timely conclusion.

4. The representative of Japan reported that negotiations had so far been concluded with more than 20 trading partners and hoped that the number would have increased by the time of

¹ Later issued as document MTN.GNG/MA/W/24.
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flexibility. It had endeavoured to build on the Quad Tokyo package of July 1993, by proposing duty elimination for electronics, scientific equipment, paper and pulp, and toys, and duty harmonisation for non-ferrous metals. Despite the joint decision of two major partners not to participate fully in these initiatives - indeed the United States' intentions with respect to non-ferrous metals were not quite clear - Japan was maintaining its offer with only minor changes. Japan's offer on forestry products was better than most, amounting to a 50 per cent duty reduction, and would benefit many participants, including developing countries. However, he reiterated concern over export bans or duties maintained by some countries, including some developed countries. The offer on fisheries products was a one-third cut in duties. He underlined the fact that Japan had taken the very difficult political decision to accept the existing agriculture text and that his country's commitment with respect to agricultural products was now in full conformity with that text. On tropical products, Japan had made a substantial final offer in 1990, had been as responsive as possible to the interests of developing countries in the agriculture negotiations, and was considering improving the GSP treatment for 17 tropical fruit items, the detailed list of which was available with the GATT Secretariat.

5. The representative of Canada reported that negotiations had been concluded with some 15 participants and hoped that the number would rise to about 20 in the next hours. Considerable progress had been made with a number of relatively small countries; however, with two Quad partners, not all outstanding issues had been resolved. Canada retained the flexibility to contribute to a package at the highest possible level.

6. The representative of Hong Kong reported that substantive negotiations had been concluded by mutual agreement with 13 participants. With another two major partners, negotiations had reached an effective end as it seemed improbable that further improvements could be secured to redress existing imbalances.

7. The representative of Australia reported that negotiations had been concluded with some 20 major trading partners (including Argentina, EC, Indonesia, Japan, Malaysia, New Zealand, Philippines and Thailand). He hoped that others would be concluded in the next hours. In the area of agriculture, Australia's offer of March 1992 constituted the basis of its final schedule, with improvements to be tabled shortly. He appreciated the political efforts made by those participants that had experienced difficulties with accepting comprehensive tariffication. For non-agricultural products, Australia's offer of 3 December 1993 would form the basis of its final schedule of concessions, with some improvements to reflect subsequent bilateral negotiations. In view of the currently unsatisfactory results in the particularly important area of non-ferrous metals, Australia was replacing its previous offer of a maximum three per cent duty by a maximum five per cent duty, although it would be prepared to reinstate its previous offer should improved offers be made in the weeks ahead. Australia's offer would thus amount to a trade-weighted average tariff reduction of 44 per cent and the binding of 99 per cent of tariff items.

8. The representative of Sweden, speaking on behalf of the Nordic countries, was pleased to note that the point seemed to have been reached where the market access negotiations had substantially been completed, even if some bilateral negotiations remained to be concluded. He expected any remaining negotiations to be concluded within hours and looked forward to a substantial and balanced package of benefit to all participants.

9. The representative of Singapore, on behalf of the ASEAN countries, noted that a new era of continuous negotiations was opening and stated that the ASEAN countries looked forward to negotiating permanently with all their trading partners.

10. The representative of India reported that India had not, as yet, been able to conclude its market access negotiations but would be making every effort to do so as early as possible. Its offer had meanwhile been improved by the binding at 40 per cent of some 60 additional tariff lines.
11. The representative of the European Community reported that negotiations had been concluded with some 12 partners and hoped that others would be concluded in the next hours. However, much remained to be done. Five further bilateral negotiations were close to being finalized. He noted that the EC had engaged in fewer market access negotiations than some other participants owing to an already significant number of free-trade partners.
12. The representative of Austria reported that, as a result of further negotiations, Austria had made improvements to its offer of 18 November 1993 and would be providing details thereof in writing in the next days. Thus, it would be participating in seven duty-elimination initiatives, in the harmonisation of duties on chemicals, and in the concerted reduction of duties on scientific instruments, and had also made improvements on a considerable number of items across the customs tariff. Otherwise, the tariff-cutting formula had, by and large, been maintained. He expected that the overall reduction would be between 36 and 40 per cent. Thus the quantitative element of the Montreal target for tariff negotiations would be fulfilled. As to the qualitative element, namely reduction of peak tariffs, this was covered by application of the duty-reduction formula across the customs tariff. Austria remained willing to pursue negotiations with a view to further improving its offer.
13. The representative of Mexico reported that market access negotiations had substantially been concluded with Mexico's main trading partners, with the exception of one group of countries. In the area of agriculture, satisfactory solutions had been found to the problems it had had with respect to certain products in relation to a specific concept. These solutions would be reflected in its schedule, the product coverage of which would now be complete. An offer on non-agricultural products had been tabled on 23 November 1993. It would be amended to enable Mexico to pursue and complete its negotiations with the above-mentioned group of countries.
14. The representative of New Zealand reported that negotiations had been substantially concluded with 23 participants and that negotiations with five others still remained to be concluded. He expected New Zealand's offer to be improved to reflect participation in a number of sectoral initiatives, including in the areas of paper and pulp, pharmaceuticals and beer, on condition that the major participants confirmed their participation in such initiatives. New Zealand would also participate in duty elimination on steel, subject to completion of a Multilateral Steel Agreement in January 1994. There would also be significant duty reductions in a number of other key sectors, including a 41 per cent trade-weighted average reduction on textiles and clothing and a 51 per cent trade-weighted average reduction on tropical products.
15. The representative of Switzerland reported that substantive negotiations had been concluded with 11 partners and he hoped that negotiations with a further 2 partners would be concluded in the next hours. Amendments to Switzerland's offer of 6 December 1993 would be tabled this day, already reflecting the results of some of its bilateral negotiations. The results of all bilateral negotiations would of course be reflected in its final schedule.
16. The representative of the United States reported that negotiations had been substantially concluded with 26 participants. He hoped that some of the negotiations with 11 other participants would be brought to that same stage in the coming hours and stated that the remaining negotiations would be pursued as expeditiously as possible thereafter. He did not foresee any significant change in his country's offer from what participants had been expecting.

17. The representative of Peru reported that his country had engaged in and concluded negotiations with five main trading partners (Canada, EC, Japan, New Zealand and United States). While the resulting level of access was not totally satisfactory in some areas, especially textiles, his authorities had expressed moderate satisfaction with the results.
18. The representative of Brazil reported that negotiations had been concluded with a limited number of participants and hoped that the list would be added to in the next few hours. Brazil was still seeking an improvement in the offer of one major partner and was prepared to adjust its own offer in response either to withdrawals of offers on products of interest to it or to satisfactory offers on at least one product in which it had expressed a substantial interest.
19. The representative of Argentina reported that negotiations had been concluded with seven major trading partners (Australia, Canada, EC, Japan, New Zealand, Sweden and United States). Argentina was offering to bind all of its tariff, generally at a ceiling rate of 35 per cent. For a number of products with respect to which bilateral requests had been received, duties below the ceiling were being offered. The offer reflected duty-elimination proposals for oil-seeds and for steel products, where negotiations on a Multilateral Steel Agreement had taken place. Duty reductions were also included for other products that had been the subject of sectoral initiatives, namely wood, chemical products and non-ferrous metals. While the progress achieved in the market access negotiations was not totally satisfactory, it nevertheless constituted a positive contribution to the results of the Uruguay Round.
20. The representative of the Czech Republic, speaking also on behalf of the Slovak Republic, reported that substantive negotiations had been completed with five participants. Negotiations were still continuing with two major trading partners and could lead to improvements in their own offers.
21. The representative of Chile reported that negotiations had been completed with six out of the seven participants with whom market access negotiations had been engaged. The outstanding negotiation, with a group of countries, included issues relating to trade in apples. Chile's offer was of a ceiling binding at 25 per cent, with the exception of three groups of agricultural products where a 31 per cent reduction was offered. This constituted a significant reduction on the 35 per cent binding offered in the Tokyo Round.
22. The representative of Colombia stated that his country's final schedule of commitments in the agricultural and non-agricultural areas would be tabled very shortly. Colombia considered that it had virtually concluded the multilateral process engaged with some 18 participants. However, he hoped that additional bilateral concessions could be achieved with major trading partners in the near future.
23. The representative of the Republic of Korea reported that negotiations had been concluded with 12 major trading partners. In the agricultural area, Korea's offer increased the scope of bindings to nearly 100 per cent and each tariff line would be subject to a minimum 10 per cent duty reduction. In the non-agricultural area, the scope of bindings would rise from 20 to 88 per cent and the overall tariff reduction would be 57 per cent, as a result of which the average duty would be reduced to 7.6 per cent.
24. The representative of Poland reported that negotiations were still underway with some partners and he hoped that, given understanding for certain problems faced by his country, they might be concluded within the next hours. He stated that Poland would have to withdraw the following items from its non-agricultural offer as presented on 17 November 1993: Polish Customs Nomenclature items 8701-8710 and 8716, as well as flax yarn, woven fabrics of flax and

other flax textiles, as set out in a letter being submitted to the Director General of GATT. This letter also contained some technical clarifications relating to Poland's non-agricultural offer. He reserved Poland's right to modify its agricultural offer, as might be required, and to notify any modifications up to the time of the TNC meeting later that day.

25. The representative of Tunisia reported that negotiations had been concluded with six participants (Austria, Finland, Norway, Sweden, Switzerland and United States).

26. The representative of Costa Rica reported that negotiations had been carried out with its main trading partners. With one of them, no satisfactory outcome had yet been reached, but he hoped that the necessary flexibility would be shown to make it possible to arrive at a mutually satisfactory conclusion.

27. After the meeting, the representative of El Salvador informed the Secretariat, for inclusion in this note, that its market access negotiations had been concluded.

28. The Chairman stated that he would be reporting to the Chairman of the TNC on the state of the market access negotiations and urged participants to make good use of the time left before the TNC meeting of the same day. He paid tribute to all who had contributed to the market access process, in particular to the Chairmen of the earlier Negotiating Groups having dealt with market access issues, and congratulated all participants on the outcome of the negotiations.