

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee

**INFORMAL MEETING OF HEADS OF DELEGATION**

**28 March 1994**

**Statement by the Chairman**

**Introduction**

Today is the last informal meeting of Heads of Delegation which I plan to hold before the Marrakesh Ministerial meeting.

**Market Access in Goods**

The multilateral verification process relating to the draft final schedules was concluded on Friday, 25 March. All 81 schedules have been reviewed at least twice and verified. The Secretariat has now begun the work of preparing the verified schedules in their final treaty form based upon the rectifications, corrigenda and, in some cases where extensive changes have occurred, the totally revised schedules which we have received. So far, a third of the schedules are at this stage and are being processed on treaty paper. Those participants who have yet to notify their rectifications, corrigenda or revised schedules should do so by close-of-business today.

One further point — the basis upon which multilateral verification of schedules takes place is that the process of rectification is concerned with technical rectifications or compliance with agreed modalities and should not be held up on account of substantive bilateral negotiations aimed at improving the results negotiated on 15 December 1993. We were able to conclude the verification process only because participants adhere to that understanding. I understand that only a very limited number of specific points have been identified as outstanding in four schedules. I would expect the participants concerned to have resolved all of these outstanding points by close-of-business today.

**Services**

As regards services, the corrected final versions of schedules of commitments and MFN exemption lists are now being printed on treaty paper as they are received. These corrected final texts are available for inspection by delegations in the Services Division. We still need confirmation of final versions from two or three capitals, but in general we can say that the work is complete. As was made clear during the verification process, all participants will retain the right to challenge entries in schedules which they regard as not being legitimate and, if necessary, address inconsistencies with the GATS Agreement through dispute settlement procedures.

Legal Rectification

A clean text of the Final Act as rectified in the legal drafting process was circulated in all three languages last week. Short lists of typographical errors to the English-language text have also been circulated. We have a few last points to resolve.

(a) Marrakesh Protocol, paragraph 7

As you know, there is one point still open in the Final Act. Paragraph 7 of the Marrakesh Protocol provides for the situation of certain listed participants. These are the participants which have renegotiated existing bindings in the process of making a ceiling binding in their schedules. It has always been clear that the list of names for paragraph 7 would flow from the results of the multilateral verification of schedules. As of the time when the multilateral process closed on Friday, it had been agreed that Peru, South Africa and Uruguay would be included in paragraph 7, and that Nicaragua would not, but matters were still pending with respect to Egypt. I take it that delegations are now in a position to agree to retain of Egypt in paragraph 7.

(b) Understanding on Article XXXV

As it stands in the Final Act, on page 41 of Corrigendum 7, this Understanding would clarify that a Member and a state or separate customs territory that is acceding to the WTO may engage in negotiations relating to the establishment of a Schedule of concessions annexed to GATT 1994, without prejudice to the right to invoke the non-application clause of the WTO Agreement. Last Wednesday, the GATT Council adopted a CONTRACTING PARTIES Decision (L/7435) which provides the same immediately with respect to the non-application clause of the GATT; this Decision will also bind the WTO automatically because the WTO Agreement provides for incorporation of the *acquis* of the existing GATT. It would therefore seem that the Understanding on Article XXXV in the Final Act is now redundant and could cause confusion. I take it therefore that delegations are now in a position to agree to its deletion from the Final Act.

(c) Texts circulated at last week's Heads of Delegation meeting

Two texts were circulated for your consideration at our meeting of last Thursday: a "Declaration on the Relationship of the WTO with the IMF", and a revised text of the "Decision on Trade in Services and the Environment". I am taking it that delegations are now in a position to agree to their inclusion in the Final Act.

(d) French and Spanish-language text

The last item of business regarding the Final Act concerns the desire expressed by delegations to ensure complete concordance between the Final Act texts and the GATT in French and Spanish; to assure complete concordance between the English, French and Spanish texts of the Final Act; and to ensure that the complete Final Act, including the GATT 1994, will be authentic in all three languages. At our last meeting, we circulated to you lists of rectifications to the French and Spanish texts of the GATT which had been agreed among interested delegations, as well as a Secretariat Note on the proposed course of action. We proposed to you then that

- an additional paragraph be included in the GATT incorporation clause in Annex 1A concerning these issues;

- a TNC Decision invite the CONTRACTING PARTIES to initiate the process of rectifying the French text of the GATT 1947 and authenticating a Spanish text for GATT 1947.

A meeting of the Legal Drafting Process on Friday, 25 March discussed the text of the TNC Decision, and agreed that this course of action was appropriate and should be submitted to you for your approval.

The text of the draft TNC Decision has been circulated to you in this room. This Decision would be taken formally at the meeting of the TNC on Wednesday, and would not be included in the Final Act itself.

I am assuming that delegations are now in a position to agree to this proposed course of action. This would include insertion of the additional paragraph in the GATT incorporation clause, as well as your approval of the draft TNC Decision.

That concludes all of the outstanding issues in respect of the Final Act. If you agree, these texts will now be placed before the TNC meeting on Wednesday for formal approval.

#### WTO acronym

At our meeting on 9 March, we discussed the correspondence that had been received from the World Tourism Organization on the use of the WTO English acronym. Since then we have had contacts with the Secretariat of the World Tourism Organization to see if we could develop practical ways of minimising any risk of confusion that could arise from use of the same acronym by the two organizations. As a result, the two Secretariats believe that the following steps will help both organizations to manage the situation:

- First, that the World Trade Organization will naturally wish to ensure that its logo is quite distinct and not susceptible of confusion with that of the World Tourism Organization.
- Second, the World Trade Organization would seek to avoid using the WTO acronym in connection with work specifically on tourism services, notably in the GATS context. This would mean that it would in such situations refer either to the World Trade Organization by its full name or by using a multilingual acronym such as "WTO-OMC".
- Third, that the Secretariats of the two organizations will consult as necessary in order jointly to resolve any practical problems that might arise and thus minimize the risk of confusion of the public from the concurrent use of the WTO acronym.

I believe that agreement between the Secretariats of the two organizations on this basis will help to resolve this matter in a way that will also have the support of their member governments.

#### Administrative Preparations for Marrakesh

An updated information note by the Secretariat on the programme for the Marrakesh meeting will be circulated shortly in document MTN.TNC/INF/24.

I would still urge delegations who have yet to notify Mr. Lindén of their intentions on signature of the WTO Agreement to do so immediately.

#### Other Texts for Ministerial Endorsement

The state of play in regard to texts for Ministerial decision is now as follows:

I understand that we have agreement, subject to formal confirmation at the TNC meeting on Wednesday, 30 March on the "Decision on Acceptance of and Accession to the WTO Agreement", the "Decision on Trade and Environment", the "Decision on Trade in Services and the Environment", the "Decision on the Relationship between the WTO and the IMF", and the rectified text of the Final Act and corrections to the GATT 1947 resulting from the legal drafting process.

The Chairman of the CONTRACTING PARTIES has completed informal consultations on a Ministerial Decision on the "Organizational and Financial Consequences flowing from Implementation of the Agreement Establishing the World Trade Organization". The draft text which has emerged from his consultations has been circulated and will be submitted for formal approval to the TNC meeting on Wednesday for onward transmission to Ministers.

A revised draft text of the "Marrakesh Ministerial Declaration" is also being circulated. This draft has introduced two minor drafting adjustments to paragraphs 2 and 5 of the draft declaration.

That leaves the proposal to make specific reference to trade and labour standards in the Declaration and the related matter of discussion of new issues in paragraph 8(c)(iii) in the draft "Decision on the Establishment of the WTO Preparatory Committee", which is otherwise agreed. This is the only outstanding substantive issue which is not resolved. At our meeting last Thursday, we rehearsed comprehensively the arguments involved. Since then I understand that there has been no change in the positions of delegations and, unless a delegation has something new to say today that would offer a solution to this impasse, I see little point in repeating the arguments we have already heard.

#### Conclusion

I have convened on Wednesday, 30 March, a TNC meeting restricted to Heads of Delegation plus one in order to give formal TNC approval to the texts to be presented to Ministers at Marrakesh. I would hope that consultations in the interval will enable final agreement on the outstanding issue to be reached so that we can arrive at Marrakesh having completed our preparations.