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Addendum

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196. The representative of Bangladesh, speaking on behalf of the least developed countries (LDCs), supplemented his statement under agenda item 3 concerning the need to reconcile the draft Final Act in such a way that the legitimate and major concerns of the LDCs were specifically provided for. He said that, in the area of TRIMs, the LDCs should be totally exempted from all obligations on a non-reciprocal basis, and allowed to use TRIMs for the development of their domestic export base, balance-of-payments reasons and protection of their infant industries as long as they remained LDCs. As regards TRIPs, although the LDCs' special needs were recognized in the preambular part, the time advantage of 10 years was not adequate. As long as a country remained least developed, it should be exempted from undertaking commitments in TRIPs. The provisions for services, in spite of their declared intent, were too vague and imprecise. He added, that the LDCs were not expected to make any initial commitments and this should be incorporated into the draft Final Act.

197. The representative of Jamaica said that there was a general agreement that a successful conclusion to the Round, resulting in strengthened multilateral rules and disciplines for governing international trade, would contribute towards revitalising world economic growth, in particular by providing an incentive for trade and investment through the generation of new confidence in the rules of the game. This assumed that the new rules of the game would reflect balanced rights and obligations for all players and would facilitate free competition and improved market access. It was also generally acknowledged that failure to conclude the Round would lead to greater disequilibrium in the international economic environment; that there would be an increase in certain trends that had emerged in recent years such as protectionism, and a proliferation of free trade agreements at regional and subregional levels with their potentially discriminatory effects. Failure would also result in a loss of momentum for the process of structural reform and trade liberalization carried out in many developing countries, with negative effects on world trade. The Government of Jamaica remained committed to working towards a successful conclusion of the Round, and believed that it should address the interests of all participants in a balanced and equitable manner while ensuring that the special concerns of developing countries were adequately addressed.

198. She shared the view that the draft Final Act and the Punta del Este Declaration should continue to form the basis of the negotiations in its final phases, and should be supplemented by a comprehensive package of specific commitments in the area of market access. Market access had been identified as perhaps the critical yardstick by which the benefits obtained from the Round for developing countries would be measured. The extent to which access was provided by the major trading nations and the inclusion of sectors of interest to developing countries such as tropical, agricultural and natural resource-based products would provide some of the criteria by which results of the Round were to be assessed.

199. She hoped that developing countries would also be given credit and recognition for their trade liberalization measures in the negotiations on market access.

200. It was difficult, however, to envisage concluding the negotiations without making a number of substantive changes in order to accommodate certain important concerns of several participants. It was essential that an evaluation of the results of the Round should be carried out in accordance with Part I, Section G, of the Punta del Este Declaration in order to ensure that developing countries received differential and more favourable treatment.

201. The issue of the EC banana import regime and its perceived implications for banana exports from Latin America was one of vital importance for Jamaica as well as for several other developing countries in the African, Caribbean and Pacific Group (ACP), and as it was for the Latin American countries. The fact that there were countries, including Jamaica, which had entered into legal, contractual and binding obligations with the European Community on a range of issues including market access for bananas, meant that their rights had to be honoured and respected. The Government of Jamaica expected that, within the framework of the Round, the Community's overall contractual obligations to the ACP countries through the Lome Convention would be honoured and respected.

202. Finally, she said that it was likely that net food-importing countries, including Jamaica, would encounter serious difficulties due to increases in world food prices that would result from the proposed reforms in agricultural trade as contained in the draft Final Act. There would be a need for new and additional resources to assist in cushioning the adjustment of such countries to the new situation. There could also be increased concessional access to

existing facilities of international financial institutions. Efforts could also be made to enhance the capacity of those countries to increase their agricultural production, in particular of food crops.

203. The representative of Uruguay noted that the secretariat note had identified certain possible issues for future multilateral negotiation. While he considered that the Trade and Development Board should study such issues, it should do so separately from the analysis of developments in the Uruguay Round. The Declaration of Punta del Este defined the agenda and provided the framework for the solution of the most urgent problems facing international trade, which should be settled before negotiations were begun on other issues.

204. He called for a rapid and balanced result of the Uruguay Round: rapid, in that it should be concluded preferably by the end of 1993; balanced in the sense that the results must involve both a strengthening of the disciplines of GATT and their extension to areas to which they had not formerly applied such as agriculture and textiles. These were already embodied in the draft Final Act to which only the minimum modifications should be made. A satisfactory result would also necessitate improved access to developed country markets for products of interest to developing countries.

205. A great number of developing countries had made a major contribution to the Round in terms of their trade liberalization policies and the specific offers they had made on market access for goods and services as well as in the area of intellectual property. He recalled that the Punta del Este Declaration called for a final evaluation of the results of the Uruguay Round. Uruguay had associated itself with the message submitted by the President of Argentina on behalf of 37 countries, and hoped that it would receive a response in the form of concrete actions on the part of the three major trading powers.

206. The representative of Argentina considered that the secretariat note was particularly well balanced and wished to comment on certain issues highlighted in it. First, he could not agree with the apparent emphasis on the discriminatory aspects of regional agreements and stressed that the agreement to which his country was a party was in complete conformity with multilateral disciplines. With respect to agriculture, he referred to the importance that his country attached to an agreement in that area, which would be based upon (a) the dismantling of subsidy regimes, both on production and exports, (b) a

reduction in barriers to market access, (c) the adoption of multilateral standards for sanitary regulations.

207. The document referred to the high cost of the TRIPs Agreement to developing countries, and in particular the absence of differential and more favourable treatment for them. This instrument did not satisfy Argentina but could be accepted in the context of the broad package of negotiated agreements. With respect to services, he shared the assessment contained in the secretariat note that developed countries were seeking further concessions in sectors of interest to them without comparable progress being made in issues of priority interest to the developing countries.

208. The developing countries had participated actively in the negotiations and had been more generous than the developed countries in their offers of market access for goods and services. They were clearly not responsible for the current impasse in the negotiations, whose solution required a rapid and balanced decision. Argentina shared the position of other participants in the Round that the same issues should not be negotiated twice. A rapid and balanced decision could only be reached on the basis of the draft Final Act in which no more than minor changes would be acceptable.

209. The representative of Senegal, referring in particular to the statement by the Director-General of the GATT, said that the whole world awaited impatiently but also with concern for the resumption of progress in the Uruguay Round. He associated his country with the message sent by President Menem of Argentina and the statements made on behalf of Africa and the least developed countries, and stated that Senegal would make every effort, within its limited means and capacities, and with strict respect for the general principles of the Punta del Este Declaration, to fulfil its obligations. In the negotiations, his country was hoping for a major opening of the market for its exports in order to obtain resources to realize its development objectives. To his regret, little progress, if any, had been made so far in the area of market access, which was of vital importance to developing countries. Multilateralism in that area should be revitalized as soon as possible, provided there was political will on the part of governments. Appropriate action by the delegations of the United States of America and the EC was eagerly expected, and it was hoped that understanding would be shown for the concerns of developing countries, in particular the LDCs. Concerning the problem of the EC banana import regime, he supported the

statement by the representative of Jamaica. He concluded by calling for a multilateral trading system based on improved and non-discriminatory rules and disciplines to be established through a successful and balanced conclusion of the Uruguay Round.

210. The representative of India said that it was reassuring to hear from the representative of the EC that the Community was now prepared to conclude the Round on the basis of the adjustments made. He hoped that position would not be changed as a result of political processes within member States.

Similarly, Japan's determination to continue its efforts to cooperate with the other Uruguay Round participants to bring the negotiations to an early and successful conclusion was welcome. He also noted that the representative of the United States had said that her country's goal was to have a good agreement, not merely a quick one. The benefits that would flow from a successful, balanced and equitable conclusion to the Round based on the Punta del Este Declaration were apparent to all. If the Round was concluded soon, it could even help overcome the present recession and would hopefully put the long-term international trading environment on a firm and secure footing. It would reduce non-tariff and tariff barriers and help the developing countries to realize the benefits they looked for from their reforms and restructuring process. However, the search for a good agreement should not lead to an impasse where there was no agreement at all.

211. He did not think that the issues of market access incorporated in the draft Final Act text were all closed issues. India had put forward its concerns on this aspect of the draft Final Act package as early as 13 January 1992. The question of better market access for developing countries, especially in such fields as leather goods and textiles, definitely required to be addressed in part through the text of the draft Final Act. While efforts were made to conclude the Round, it should be ensured that the final outcome was clear and balanced. The larger trading entities naturally bore a greater responsibility for the continued operation and follow-up of the existing system and for the efforts to strengthen it.

212. India had shown a great degree of flexibility and cooperation and had made every effort to bring about an early conclusion of the Round. In the process of economic restructuring, India was opening up its markets and expected reciprocity. Before the conclusion of the Round, he looked forward

to an assessment of the intended results from the point of view of developing countries, as had been provided for in the Punta del Este Declaration.

213. The representative of the United Republic of Tanzania acknowledged the useful background documents prepared by the secretariat with particular reference to the least developed countries, and emphasized that the task of the Board was to ensure that trade promoted development and to emphasize that without development there could be no trade.

214. Referring to agriculture, as the central preoccupation of the major trading nations in the Uruguay Round, he said that it could have been handled in GATT and even now could be concluded if the necessary political will existed. With regard to the so-called "free-riders", he pointed out that agriculture in developed countries had been allowed free riding for nearly half a century as a result of its inbuilt GATT waivers and safeguards. The cruel paradox of agricultural products was that while accumulation, vertical specialization, and horizontal diversification in developed countries had continued unabated tropical agricultural products had been freely exploited by the market, thus giving additional surplus value to the products of industry.

215. Although no country was unaware of the significance of a multilateral trading system, such systems could be extremely unjust, particularly to the underdeveloped economies, if they were founded on accumulated power and wealth. It was ironic that those who needed the multilateral trading system most were those who were most in need of market access.

216. It was for the Trade and Development Board, as an important organ of the UNCTAD and hence of the United Nations, to succeed in convincing those who had the power to free the market, when it suited them, that it was much too easy to prescribe principles of good governance for the underdeveloped without adding up all their implications for resource transfer, given the arbitrary nature of market forces.

217. Concerning the interests of developing countries in the Uruguay Round, he said that it was extremely important that the draft Final Act should take their interests into account, including those of the least developed countries. It was equally important for the Uruguay Round package to be

evaluated from the point of view of developing countries as provided for in Part I, Section G, of the Punta del Este Declaration.

218. He noted that the LDCs had consistently urged participants in the Round to ensure that the commitment in Part I, B (vii) was fully translated into specific elements of special and more favourable treatment for the least developed countries in the final outcome of the Uruguay Round. He informed the Board that his country, together with other LDCs, had recently conveyed to the Chairman of the Trade Negotiations Committee their outstanding concerns about the draft Final Act. The communication, inter alia, emphasized that, as regards new issues, their development option should not be jeopardized through the establishment of arbitrary and short-time frameworks in the outcome of the Round. He reiterated that, in the new areas, and indeed in other areas, LDCs should be accorded adequate special and more favourable treatment. The Final Act should, among other things, ensure that: (i) the LDCs would be totally exempted from all obligations, on a non-reciprocal basis, in the TRIMs agreement. The LDCs should be allowed to use TRIMs for the development of a domestic export base, for balance-of-payments reasons and to protect their infant industries as long as they remained LDCs, (ii) as regards TRIPs, as long as a particular country did not cease to be least developed, it should be exempted from undertaking new obligations, and (iii) in services, LDCs should not be required to make any initial commitments as a condition for acceding to the GATS.

219. The representative of Romania said that his country was among the 37 countries that had addressed a joint message to major trading nations calling for an early and successful conclusion of the Uruguay Round. He trusted that the message would be received favourably, and that outstanding problems could shortly be resolved in a sound and balanced manner. The Uruguay Round should contribute substantially to the liberalization of international trade and to an improved and extended multilateral trading system, that would encompass clear rules and disciplines, and facilitate the development of new trade policies and the expansion of trade for all countries, including countries in transition to a market economy.

220. The representative of Mexico recalled that two years had expired since the date set in the Punta del Este Declaration for the completion of the Uruguay Round. World trade was being threatened by protectionism which was likely to increase in the absence of an early conclusion to the Round. Unless serious action was taken the situation would further deteriorate. He referred to the numerous appeals, including the recent message sent by the President of Argentina on behalf of 37 countries, for an early conclusion to the Round but noted that no concrete or positive response had been received from the major participants in the negotiations. He again urged those countries to assume their responsibility and fulfil their role as leaders.

221. He recalled that the OECD had reminded the Board of the important gains that were being foregone as the consequence of the myopia of certain administrations. Some governments had lost sight of the fact that the Round involved more than trade in agriculture, and overlooked the benefits to be obtained from the results of the Round by their producers of services, high technology, and pharmaceutical products, among others.

222. As Mexico had played a positive and constructive role in the negotiating process, cooperating in the formation of a consensus on various issues and making important concessions which largely benefited the strongest countries, it felt justified in reiterating its appeal to the major trading powers to assume their responsibilities and pursue the discussions for a rapid and balanced conclusion of the Round and the reversal of the present protectionist trends in those countries.

223. The representative of Egypt, speaking on behalf of the African Group, noted that a thorough, open and positive exchange of views between all delegations could only be beneficial to all. Referring to the documentation, he stated that UNCTAD was competent to follow the developments in the Round within its mandate to review international trade issues that had a bearing on the development process.

224. He said that many of the third world countries, particularly in Africa, were concerned about the results of the Uruguay Round. It was important therefore to look carefully at the costs and benefits of the Round as it stood

at present and evaluate the overall outcome in order to see whether the package met the objectives of the Punta del Este Declaration.

225. As the final results of the Round were not yet known it remained to be seen whether the market access commitments provided by the various trading partners would lead to meaningful improvements in market access for the products of export interest to developing countries.

226. He pointed out that market-oriented reforms in African countries had heightened the need for those countries to play an active part in multilateral trade negotiations aimed at increased trade liberalization and expansion of world trade under more effective and strengthened multilateral disciplines. An increasing number of African countries were indeed involved and it seemed to be the only way to ensure that the evolving multilateral trading system took due account of the weakest trading partners, particularly the LDCs.

227. Their interest was part of the growing recognition of the intrinsic link and complementarity between the success of structural adjustment and export opportunities or market access conditions affecting exports of interest to African countries, especially in the areas of agriculture, textiles, commodities and tropical products.

228. Emphasizing the increasing role of services in the development process of African and other developing countries, he said that it was very important that the outcome of the Uruguay Round as regards trade in services should contribute to the development of the African countries's economies, inter alia, through the GATS, specifically recognizing and promoting modes of delivery and all sectors of interest to those countries, maximum flexibility in the level of initial commitments in services, and the special concerns of the least developed countries.

229. Noting that, as weaker members of the trading community, his Group had always favoured strengthened rules and disciplines which promoted transparency and predictability and thus greater security in trade relations, he said that the Round had gone some way towards addressing that problem, especially in the application of safeguard measures, and the use of countervailing duties and anti-dumping measures. In that regard, he referred to the increasing threats

faced by his Group from unilateral regulations and protective measures by major trading partners and doubted whether African countries had sufficient resources to take effective counter-measures.

230. Egypt, on behalf of the African countries, had informally presented a number of modifications in the areas of agriculture and TRIPs with the aim of redressing the balance in the draft Final Act. He referred to an UNCTAD study and a number of other preliminary studies which had concluded that the African countries were going to be net losers as a whole.

231. He drew special attention to the fact that the draft Final Act reflected only in a general manner, and in an annexed declaration, the effects of trade liberalization in agriculture on net food-importing countries, without venturing to put forward concrete, tangible and compensatory measures to offset such negative effects, even if only to a partial extent.

232. With respect to TRIPs, he noted that it was the single area in the draft Final Act where no consideration for any special and differential treatment had been given, other than a longer transitional period, to allow developing countries to comply with the provisions of the agreement. Yet, technological capacity-building through transfer of technology under favourable conditions remained crucial to promote their development efforts and, without it, trade liberalization would have little impact on the economic well-being of the developing countries. The obligations in the TRIPs agreement imposed serious constraints on the developing countries.

233. With regard to investment measures, he noted that, while multiple disciplines in an area where there were unequal partners, were better than no rules at all from the point of view of the weaker party, the TRIMs agreement merely bound Governments without equivalent obligations on the part of private enterprises in order to control restrictive business practices that significantly distorted trade. The transitional period granted to developing countries was not sufficient to address development needs. Acknowledging that form, structure and machinery were yet to be negotiated, he said they had to conform with the basic objective set at Punta del Este. The conditions attached to MTO membership would alter the existing rights and obligations

for GATT Contracting Parties, particularly in the case of small trading partners.

234. He hoped that in the remaining period before the conclusion of the Round, the trading partners would take due account of the legitimate concerns of his Group, which it was necessary to accommodate if the Uruguay Round was to achieve the long desired, balanced outcome.
