

# URUGUAY ROUND

## OF MULTILATERAL TRADE NEGOTIATIONS

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### URUGUAY ROUND NEGOTIATIONS CONCLUDE SUCCESSFULLY

The following is an extract from the statement made by Mr. Peter Sutherland, Chairman of the Trade Negotiations Committee, at the meeting of the Committee on Wednesday 15 December.

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At each of the previous meetings of Trade Negotiations Committee, which I have chaired, I have exhorted participants, sometimes in rather strong terms, to take all necessary steps urgently to conclude the Uruguay Round. Today, I congratulate you the participants on your momentous and historic achievement.

Seven years of hard work today come to a successful conclusion. Let us stand back and measure what has been accomplished. It is truly a remarkable achievement, from any perspective.

The results will mean more trade, more investment, more jobs and larger income growth for all. Economic operators across the globe will benefit; producers and consumers, investors and traders everywhere will gain.

I am convinced that today will be seen as a defining moment in modern economic and political history. There are those, not without some reason, who find the post-Cold War world full of new risks and tensions. They posit the choice of whether their security is better assured by erecting defensive barriers against the external world or alternatively by engaging in a broader system of international co-operation and interdependence. Trade binds people together. It compels recognition of mutual interest and co-operation. Today the world has chosen openness and co-operation instead of uncertainty and conflict. Your decision today goes a long way towards answering the question of what the world will look like as we prepare for the future.

The multilateral trading system was one of the three pillars of the post-War economic construction established at Bretton Woods. This system has provided the foundation for the manifold rise in world

trade and output since then. Nonetheless, as we all know, that construction was incomplete. Today, we are filling the gap by creating a World Trade Organisation with powers commensurate to the challenging tasks we have assigned to it. This Organization will ensure that the trade order we have negotiated will be effectively enforced and efficiently administered. The confidence of producers, traders and consumers in the stability of the trade order will no doubt be enhanced by our decision to give that order a solid institutional basis.

In every sense, the Uruguay Round is a global negotiation with a global result. For the first time, a negotiation under the auspices of GATT has covered virtually every sector of world trade. For the first time too, participation has been global. Indeed, perhaps the most significant feature about this negotiation has been the large number of developing countries taking part, and taking part actively. Their contribution to the Round has been a vital one, reflecting the importance of the multilateral system in creating and maintaining opportunities for sustainable development.

Important new areas of the world economy have been brought under multilateral disciplines. The General Agreement on Trade in Services provides for a new set of multilateral rules for the conduct of services trade. It simultaneously creates a framework for a continuing process of liberalisation. These rules take account of the particular features of trade in services and are based on fundamental principles of non-discrimination and national treatment. The outlook for job creation in this fast growing and dynamic sector, which accounts for over 60 per cent of world production, is now better than ever.

Trade in intellectual property is also now the subject of a comprehensive set of new rules which should help to promote creative activities and innovation and to safeguard investments in intellectual property.

Agriculture too becomes subject to new disciplines designed to establish a fair and market oriented agricultural trading system. Reductions in subsidies should lead to more sustainable markets for farmers worldwide and create opportunities for governments to relieve excessive burdens borne by taxpayers and consumers.

Textiles and clothing also will be brought back under GATT disciplines, even if the process will take considerably longer than for other sectors.

The results on market access for goods represent a major milestone in the history of the GATT. Tariffs are expected to have been reduced by around 40 per cent. Of equally far reaching importance is the substantial rise in security in the world trading system by virtue of the large increase in tariff bindings, not only but especially by developing countries, many of whom have undertaken wide-ranging economic reforms in recent years intended to achieve fuller integration with world markets. And if we factor in comprehensive tariffication of the measures affecting trade in agriculture, over 95 per cent of world merchandise products will now be secured by tariff bindings, representing an enormous advance in predictability and stability of trading conditions.

The Round has gone further than any previous negotiation to extend and strengthen the rule of law in international trade, both by bringing GATT principles to apply in areas where they have been lacking, and by strengthening the existing rules, especially by ensuring their application through a more effective dispute settlement system. The improved dispute settlement procedures will enhance the credibility of the rules and of the multilateral system as a whole.

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Added together, these achievements amount to a major renewal of the world trading system. By giving new expression to the principles of the system, you, the participants in the Uruguay Round, have not only given the world economy a much needed boost, you have also made a far-sighted investment in a better future.

### **Procedure for adoption of the Final Act**

I will now outline the manner in which we take our decision today on the procedure for adoption of the Final Act.

I propose that all participants in the Uruguay Round:

- agree that the texts contained in the Final Act, including the detailed schedules of market access in goods and services to be submitted to the Secretariat, embody the results of their negotiations;
- acknowledge that the texts may be subject to rectifications of a purely formal character that will not affect the substance or meaning of the texts in any way; and
- indicate their intention to submit the relevant texts or legal instruments to be formulated on the basis of the Final Act for the consideration of their respective authorities with a view to seeking approval of, or other decisions on, the relevant texts or instruments in accordance with appropriate procedures in their respective jurisdictions.

I shall assume that by raising no objection before I bring down the gavel you are indicating your approval of these proposals.

### **Market Access Schedules**

On market access, I declare that the substantive market access negotiations pursuant to the Ministerial Declaration on Uruguay Round have been concluded. In this regard, I am relying on the fact that 95 participants have submitted draft schedules of concessions covering both agricultural and non-agricultural products. A large number of participants have also confirmed that their offers are now final and that concessions exchanged will be duly reflected in their final schedules to the Uruguay Round Protocol.

In regard to agriculture, the Secretariat has circulated the revised version of the negotiating modalities to establish commitments.

The conclusion of the market access negotiations means that, as of today, the existing market access result will not be reduced, except for minor adjustments which should have no significant impact on the overall and bilateral balances. Additional concessions may, of course, be incorporated in the final schedules.

In the area of textiles and clothing the interests of certain participants require that market access negotiations continue. These negotiations are considered necessary to achieve a larger and balanced final market access package for these participants.

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I wish also to take this opportunity to outline the procedures that I envisage will have to be put in place following the conclusion of the market access negotiations of the Uruguay Round.

A process of verification of final schedules will need to be established to ensure that the results negotiated and agreed are accurately reflected. This process will have to be designed so as to provide for periodic monitoring and transparency. For this purpose, draft final schedules shall be submitted to the Secretariat no later than February 15, 1994. The verification process shall end on March 31, 1994. This should provide the time necessary to prepare and complete final schedules for attachment to the Uruguay Round Protocol to the GATT 1994 for adoption by the Special Ministerial Session scheduled for April 12-15, 1994.

While I strongly advise least developed countries to finalise their market access schedules in accordance with this timetable, they have an additional year to submit their final schedules by April 15, 1995.

The Secretariat is, of course, ready to provide any technical assistance that participants may require.

I am asking the Committee therefore to note that I will also put in place a legal drafting process to effect rectifications of a purely formal nature in the Final Act.

This work will begin on Monday, January 17, 1994 and conclude on March 31, 1994.

### **Future Work Programme**

I wish to draw the attention of the participants to the proposed future work programme to implement the results of the Uruguay Round contained in my statement of December 13 and to propose that the Committee approves this work programme. It is evident that significant additional administrative, budgetary and staffing implications will arise from the implementation of the results of the Uruguay Round and it is my intention to seek approval of such additional budgetary provisions as may be necessary at the April Ministerial meeting.

### **Decision on Trade and Environment**

During the negotiations, it was agreed that the Committee would adopt a work programme on trade and environment. Accordingly, I am submitting for approval by the TNC the Decision on Trade and Environment which has been circulated.

### **Invitation from Government of Morocco**

I am pleased to inform the Committee that the Government of the Kingdom of Morocco has kindly invited the participants to hold the meeting of the TNC at Ministerial level in April at Marrakesh.

I propose that the Committee decide to accept the invitation from the Government of Morocco.

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## **Conclusion**

On behalf of the Committee, I wish to record its appreciation of the efforts of the very many people who have participated and contributed to the Uruguay Round during its various stages. So many people have made such an enormous contribution that it is not feasible on this occasion to mention all of them.

However, I would like the Committee to pay a special tribute to my predecessor, Arthur Dunkel, who did so much to shape the Final Act. Arthur, unfortunately, could not be with us today as he has an unavoidable commitment in Poland.

I would like to express my gratitude to the Friends of the Chair, Mr Germain Denis, Ambassador David Hawes, Ambassador Julio Lacarte and Mr Michael Cartland. Without their dedicated commitment, professionalism, skill, and perseverance the quality of our results would not have been as great as they are.

**END**