

7.2 THE MULTILATERAL TRADE NEGOTIATIONS

7.2.1 Progress of the Uruguay Round:

The Uruguay Round is the eighth and latest round of multilateral trade negotiations (MTN) under the auspices of the General Agreement on Tariffs and Trade (GATT). The negotiating agenda, set out at Punta del Este, Uruguay, in September 1986, includes agreement to negotiate on the most challenging issues facing the world trading system.

While previous negotiations had concentrated largely on tariff reductions, the scope and nature of this round goes far beyond traditional areas. It includes:

- agriculture;
- safeguards, grey area measures, and subsidies;
- extending GATT rules to trade in services; and,
- improved institutional mechanisms to allow the GATT to "monitor and supervise" national trade policies.

While the Montreal mid-term ministerial meeting, in December, 1988, failed to resolve the most contentious issues, eleven of the fifteen working parties did reach agreement, and the remaining four were able to reach a compromise in April, 1989.

While most of these agreements set out frameworks for further negotiations, rather than substantive new rules, procedures or definitions, GATT officials are confident that the MTN will be able to complete its work by the December, 1990, deadline.

Since the April, 1989 meeting, several of the working groups have made substantial progress.

- The group on agriculture has made some headway elaborating the U.S. suggestion for tariffication of existing subsidy programmes¹⁵², although the remaining differences between the EC and the United States remain large.
- The subsidy group is studying a working document, submitted by Canada, which has set out a proposed methodology for defining and monitoring the use of subsidies.

¹⁵² It had previously demanded an end to all subsidy programmes, a proposal strongly resisted by the EC. Tariffication refers to the replacement of subsidy programmes and quota systems with tariffs of equivalent effect. Tariffs can presumably be reduced, over time, using existing GATT methods.