

January 1990

Uruguay Round of Multilateral Trade Negotiations (MTN)

A SITUATION REPORT

1. The Uruguay Round is entering 1990 with less than a year to go for its successful conclusion. When Ministers from countries participating in the MTN meet in Brussels next December, their decisions will be crucial for the future of the open multilateral trading system and for sustained global growth of trade and investment flows into, and beyond, the 1990's.

2. It is in 1990 that MTN participants will seek to determine the concrete shape of agricultural trade reform; the depth and scope of the global reduction of tariff and non-tariff barriers (NTB's); the equity and effectiveness of new GATT rules on fair and unfair trade practices, as well as of dispute settlement procedures; the content and the sectoral application of a new GATT type framework for traded services; and the extent to which the GATT system should be extended to cover trade-related intellectual property and investment matters.

3. In the meantime, global trade bargaining will be intensified across the 15 different negotiating groups in Geneva and through a complex network of bilateral and plurilateral consultations and negotiations between negotiating teams as well as at the ministerial level. So far, the basic objectives, priorities and interests of all MTN participants have been staked out fairly clearly as a result of the circulation last autumn (by both developed and developing countries) of negotiating proposals, including several in agriculture. Some further proposals are expected early this year.

4. The MTN negotiating process will now begin to identify the areas of common ground in drafting specific solutions. It will also begin to identify how consensus can be forged in major areas where there continues to be important differences of views and approaches. One area that will have to be ironed out quickly concerns the specific methods and procedures for achieving the market access liberalization objectives set out at the Montreal Mid-Term Review. In view of the short time left to complete the overall negotiations, overcoming the current impasse concerning traditional tariff issues between the USA and Europe is necessary for maintaining the prospects of a balanced overall MTN outcome.

5. In recent months, there has been continuing active ministerial involvement in pushing the MTN process forward. In addition to bilateral MTN discussions with the USA, EC, Japan,