

Backgrounder

REPORT ON THE URUGUAY ROUND

1. As ministers responsible for the Uruguay Round negotiations for the United States, Canada, the European Community and Japan, we believe we have within our reach a far-reaching and comprehensive market-opening package on goods and services that will help spur on worldwide economic growth, increase employment and strengthen our fight against protectionism. We look toward a prompt re-engagement of the multilateral negotiating process in Geneva to be concluded by the end of this year.

2. The realization of this objective will require a fair and equitable sharing of commitments by each of us. Our efforts must be matched by binding market-opening measures by other participants. Mutually agreed solutions will also need to be found to outstanding Draft Final Act issues. Of course, final agreement on a global and balanced package can only be concluded when everything is agreed.

A) INDUSTRIAL GOODS

3. In respect of trade in industrial goods, our negotiations have focused on the liberalization of tariffs and non-tariff measures and on market-access binding commitments. Subject to appropriate contributions by other major producers and exporters and satisfactory resolution of specific non-tariff measure issues, we want to build upon existing market-access offers contained in our draft schedules of concessions through a comprehensive and integrated approach, recognizing the desire of some participants to move further in various areas, such as wood, paper and pulp, and scientific equipment.

4. Specifically, we intend to build on the following minimum elements to achieve an overall balanced package in the market-access negotiations:

a) **Tariff and non-tariff measure elimination:** In the context of a far-reaching and balanced market-access package, we have thus far identified a common list of product sectors for complete elimination of tariff and non-tariff measures (pharmaceuticals, construction equipment, medical equipment, steel subject to the MSA [Multilateral Steel Agreement], beer, and subject to certain agreed exceptions, furniture, farm equipment and spirits). We shall seek to add to this list as many sectors as possible.

b) **Harmonization:** We have identified chemical products for a harmonization of tariffs at low rates, including, in some