

# Statement

Minister for  
International  
Trade



# Déclaration

Ministre du  
Commerce  
extérieur

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NOTES FOR A SPEECH GIVEN BY

THE MINISTER FOR INTERNATIONAL TRADE,

JOHN C. CROSBIE,

AT THE CLOSING OF THE

ASIA PACIFIC ECONOMIC CO-OPERATION MEETING

VANCOUVER, BRITISH COLUMBIA

SEPTEMBER 12, 1990.

### CHAIRMAN'S SUMMING UP

The twelve countries represented in the Asia Pacific Economic Cooperation group have just concluded a meeting on the Uruguay Round negotiations. We have had very full discussions on all the key issues:

- the liberalization of tariffs and non-tariff barriers;
- the reintegration of textiles and clothing into the GATT;
- agricultural trade reform;
- the strengthening of GATT trade rules;
- the new issues of services trade, investment and intellectual property; and
- the strengthening of the GATT's dispute settlement system and institutional framework.

APEC Ministers are determined to take leadership in accelerating the pace of the negotiations in Geneva over the coming weeks. We are all very mindful that time is short and the risks are considerable for each member of APEC and for the multilateral trading system, if the Round were to fail.

I believe that APEC Ministers have made progress on a number of key issues. We have identified ways to help us overcome obstacles facing the negotiations. We have instructed our negotiators to do everything possible to firm up agreements in the various areas before early November.

I would like to provide you, on my own responsibility, the highlights of what the APEC countries have agreed to do concretely to move the MTN negotiating process forward in Geneva.

## TARIFFS AND NTBs

All APEC participants are determined to obtain large results on reductions of tariff and non-tariff barriers on a world wide basis. They will lead the negotiations by example. They have thus agreed to accelerate the pace of negotiations by having their improved offers made by October 15th and completing the access negotiations within APEC by early November.

They have agreed to seek to construct the largest possible package of balanced concessions with the maximum participation. To this effect, a number of APEC participants have indicated their decision to improve significantly both the level and product coverage of tariff cuts, and tariff bindings. They recognize that no sector should be excluded from their common efforts to bring about substantial trade liberalization.

APEC participants regard the Montreal Mid Term Review target of one-third reductions as a minimum objective for this Round. In this respect, a number of participants have indicated that they are willing to engage in total mutual elimination of tariffs in various sectors.

APEC countries recognize the need to deal effectively with NTBs and to consolidate the market access results. As well, they accept that the outcome of the negotiations on textiles and agriculture are important components of the overall MTN market access package.

They will seek to complete the negotiation on rules of origin by mid-October, including a work program in pursuance of their harmonization within the GATT framework.

## TEXTILES AND CLOTHING

All APEC participants agreed that the successful and gradual reintegration of textiles and clothing trade is key for the success of the Uruguay Round overall. This area is important for both exporters and importers. APEC is conscious of the need to give leadership and new impetus to remove the current stalemate on the conditions for achieving a successful and realistic MTN outcome.

Specifically,

1. APEC participants have agreed that a reasonable transitional period for a definitive termination of the MFA system of bilateral export restraints arrangements would be 10 years.
2. All APEC participants need to review their current approach to the development of modalities for the reintegration of textiles and clothing under normal GATT rules. They accept the need to develop appropriate transitional safeguards.
3. All participants are willing to explore seriously whether an MFA based approach can deal in an equitable way with the concerns of participants in respect of import surges, new suppliers, growth rates and flexibility provisions.
4. APEC participants recognize that the efforts to liberalize textiles trade must be equitable without imposing unreasonable conditions.

## AGRICULTURE

All APEC participants have a vital interest in the successful outcome of the negotiations on agriculture because this is a pivotal element of a successful MTN package overall. Bringing agricultural trade within the GATT rules and disciplines is an integral element of a stronger multilateral trading system. If the Round is to succeed there will need to be undertakings for substantial and progressive reductions in trade distorting support and protection to agriculture.

Specifically,

1. APEC participants have agreed that the submission of information on a comprehensive basis by October 1 as envisaged by the Chairman of the Agriculture Group is critical to advancing the negotiations. This information needs to cover internal support, export subsidies and border protection levels.
2. They are committed to tabling by 15 October, offers on agriculture, in respect of internal support, export subsidies and border protection levels.
3. They have endorsed the Agriculture Group Chairman's proposal that export subsidies be reduced deeper and faster than other forms of support and protection. This focus is more important than ever given the recent increases in export subsidies which affect the livelihood of fair traders in agriculture. APEC countries also seek to ensure that food aid programs do not disrupt normal commercial food sales.
4. They are determined to intensify the negotiations on strengthened GATT rules to ensure they are fair and equitable to all.
5. They recognize that the TNC had agreed to take into account the legitimate concerns of net food importing developing countries and non-trade concerns such as food security to the extent possible.
6. They continue to reject rebalancing as part of the agricultural outcome.
7. APEC countries reiterated, in the context of the war against drugs, the need for support to be given to producers in areas in some developing countries to encourage diversification away from illicit narcotic crops.

## TRADE RULES

All APEC participants are committed to the development of a single comprehensive and workable safeguards system based on the MFN principle and covering the phase out of grey area measures. This system must be applied by both developed and developing countries.

APEC participants are agreed on the need to complete the negotiations for balanced and realistic improvements to the existing GATT rules on anti-dumping and subsidies/countervail on the basis of the draft texts in the two MTN negotiating groups.

- on anti-dumping, negotiations should focus on developing significant improvements to current rules and their application. Ministers indicated their willingness to develop new rules, as appropriate.
  
- on subsidies/countervailing duties, the negotiations should be accelerated covering both enhanced disciplines on the trade distorting effects of subsidies and more operationally effective GATT rules and disciplines on countervail, including dispute settlement procedures.

They recognized that the negotiations of the GATT rules related to balance-of-payments remain a difficult issue within the Round. They all recognized that the right to introduce import restrictions for legitimate balance-of-payments purposes should be maintained. They agreed to explore in the negotiations improvements in the operation of the 1979 understanding on balance-of payments.

## TRIPS AND TRIMS

TRIPs and TRIMs constitute two major areas of the negotiations where comprehensive solutions based on key GATT principles with the fullest participation are important.

With respect to TRIPs , APEC participants:

- remain committed to the development of adequate standards of intellectual property rights, having regard to existing international conventions
- recognize that the development of effective enforcement procedures needs to take account of different national legal systems
- recognize that some transitional periods should be considered to meet the needs of developing countries
- negotiations must be accelerated on all major outstanding areas of differences including on matters related to "public interest" considerations on patent protection

With respect to TRIMs, APEC participants reviewed the concerns of developing APEC countries as well as the extent to which prohibitions of trade distorting TRIMs should be part of the solutions. Not all TRIMs are to be prohibited. Also, there are existing GATT national treatment obligations which already effectively apply to various forms of import replacement requirements.

## SERVICES

Ministers instructed their negotiators to seek to complete the development of a comprehensive framework on trade in services by October. It is now time to decide on how the universal coverage of an agreement on services can be achieved through the negotiation of sectoral annotations, and limited, multilaterally agreed derogations.

APEC countries are prepared to begin negotiations of trade liberalizing commitments as soon as the coverage and procedures are determined.

Recognizing the disparity in levels of development of services industries among APEC countries, Ministers agreed that the framework should promote the broadest possible participation by developing countries.



### STRENGTHENING THE MULTILATERAL TRADING SYSTEM

Ministers agreed that a more effective multilateral dispute settlement system is an essential element of the final MTN outcome. This should lead to a commitment to operate only under the multilateral rules.

In the context of a comprehensive and substantial MTN result, APEC Ministers will seek a decision in Brussels to examine the detailed elements of a possible world trade organization.

## CONCLUSION

In conclusion, there were important signs of flexibility on a number of issues, and these will be carried over immediately to our negotiators in Geneva. The time remaining to complete these negotiations is very short, and we recognized that the tough, political decisions are now upon us.

There is a determination among APEC countries to continue to work together on the full range of issues, in Geneva and in Brussels. APEC countries stand for a comprehensive, substantive outcome to the negotiations. On behalf of my APEC colleagues, I urge all other MTN participants to bring a similar dedication and full commitment to the final stage of the negotiations.

APEC represents a wide range of countries with different interests and priorities. Nevertheless, I believe this meeting has shown that we can turn even this diversity to our advantage by hard work and the willingness to show how compromise is possible. The results of this meeting show that APEC countries are leading by example in the MTN.