

European Community



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INFORMATION NOTE

EC SEEKS STRONGER GATT RULES ON SAFEGUARDS

Haferkamp: Details of trade pact to be worked out after 15 July

Wilhelm Haferkamp, EC Commission Vice-President, with responsibility for external affairs, made the following statement to the informal meeting of the participants in the multilateral trade negotiations (MTN or Tokyo Round) in Geneva on 10 July:

Significance of 15 July

I know some of our partners, and in particular the developing countries, are worried about the date of 15 July and the commitment some of us have expressed to draw up by then an outline final agreement. I can understand this concern. But, as I have just indicated, the negotiations are not suddenly and dramatically going to be concluded in the next two or three days. This is impossible. A more realistic date for the final conclusion of the negotiations would be the end of the year. But we must keep up the momentum. There are some very difficult issues we have to deal with, issues which have been the cause of contention for many years, particularly between developed countries. The reason why the Community agreed to this 15 July objective is that we want to establish a realistic basis for the final period of detailed negotiations. We think it is realistic to acknowledge that this basis should be settled first between the major trading partners.

Looked at the other way, it is clear that if we cannot establish a basis between the major trading partners, the negotiations cannot be brought to a successful conclusion.

Another aspect which I would bring to your attention is the significance of the world economic summit meeting in Bonn on 16-17 July. This provides an obvious incentive for those participating to demonstrate to their heads of government that the MTN are on a sound course. We would ask you then to be sympathetic to the efforts we are going to make in the next few days and to accept our assurance that we realize that there will be many months of hard negotiations before an outline of the results can be turned into detailed final agreements.

Issues of substance

Another matter on which I hope you will accept our assurance is that we do not intend to concentrate on matters of importance to us and to ignore the interests of other participants, particularly the developing countries.

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Of course we are going to press hard the issues which are of vital concern to us. In general terms as you well know, we are seeking a broad result which will combine further liberalization with a strengthening of GATT rules and procedures particularly in the non-tariff and agriculture areas, which will establish a cooperative basis for our trade relations in years to come. This is an ambitious objective. For the Community the results form a whole. We hope this balanced approach is understood by all our partners.

It is particularly relevant in the important area of safeguards. Here we are seeking the effective strengthening of the GATT with new procedures and, in particular, the creation of a new body to supervise the area of safeguard action. We are also asking for the possibility of selective action where the circumstances would justify it and where this would minimize the disruption to international trade, following on the need to introduce a safeguard action. We think this is a reasonable as well as a balanced approach which would bring back into the GATT responsibility for the important activity of the safeguards which is increasingly taking place outside the GATT. It would be a serious lost opportunity if we did not reach a balanced agreement in this area.

But in the next two days and indeed in the final phase of the negotiations we will also be conscious of the important stake of the developing countries in the MTN.

I hope the Community's record so far will enable you to accept this assurance. For the developing countries I would recall the importance of our tropical products offer implemented unilaterally over a year ago.

I would also remind you of our efforts to find differential and more favourable treatment throughout the negotiation, in the tariff and in the non-tariff areas.
