

No. 8/1985
March 22, 1985

Contact: Ella Krucoff
(202) 862-9540

E.C. BACKS NEW TRADE ROUND

The European Community this week declared its readiness to participate in a new round of multilateral trade negotiations, and proposed that the round be inaugurated in Brussels.

"The Community considers that a new round would help to promote world economic recovery and growth, and would reinforce the multilateral structures and disciplines" of the General Agreement on Tariffs and Trade (GATT), Willy De Clercq, E.C. Commissioner for External Relations, said Thursday in Washington, D.C.

The text of a declaration adopted Tuesday by the E.C. Council of Ministers follows (emphasis added):

1. Suggestions for a new round of multilateral trade negotiations have been the subject of careful international consideration for the past two years. They received particular attention at the meeting of the O.E.C.D. (Organization for Economic Cooperation and Development) Ministers in May 1984, at the London economic summit in June 1984 and at the meeting of the contracting parties of the GATT in November 1984. Such multilateral negotiations have been a regular feature of the GATT since its inception.

2. The Council recalls that a new round, while of the utmost importance to a strengthening of the open multilateral trading system and to the expansion of international trade, will not of itself be sufficient to such purposes. Thus the Community, in the perspective of a new round, and while working to achieve the broad consensus requisite for its launching, will urge that the following separate but related desiderata receive serious parallel consideration. Thus:

- (a) In order to ensure credibility, reaffirmation will be necessary of the international commitments variously accepted at the Williamsburg and London economic summits, and at the last meeting of O.E.C.D. Ministers in Paris and of the GATT Contracting Parties in Geneva:

...../

- effectively to halt protectionism and resist continuing protectionist pressures (standstill);
- to relax and dismantle progressively trade restrictions as economic recovery proceeds (roll-back);
- to pursue the 1982 GATT work program as complemented by the decisions of the contracting parties in November 1984.

(b) Solutions to imbalances whose origin lies in the monetary and financial areas cannot be found in trade negotiations. Determined, concerted action is required to improve the functioning of the international monetary system and the flow of financial and other resources to developing countries. Results in the monetary and financial areas should be sought in parallel with results in the trade field.

3. Despite previous trade rounds, Japan's growth of imports of manufactured goods has nowhere near matched her export growth. Like concessions to Japan have not produced like results, and in consequence, an imbalance of benefits currently exists between Japan and her principal partners. It is therefore a pressing political necessity for Japan to bring her import propensity into line with that of her partners, by means of domestic structural and other adjustments as well as by measures at the frontier.

4. As regards negotiations on agriculture in the new round, the Community is ready to work towards improvements within the existing framework of the rules and disciplines in GATT covering all aspects of trade in agricultural products, both as to imports and as to exports, taking full account of the specific characteristics and problems in agriculture.

The Council is determined that the fundamental objectives and mechanisms, both internal and external, of the Common Agriculture Policy shall not be placed in question.

5. On possible new topics for negotiation, the Council considers that trade in services seems suitable for inclusion. Problems of counterfeit goods and the defense of intellectual property also deserve consideration. Other possible new items should be examined on their merits.

6. The Council affirms the need for reciprocity and a better balance of rights and obligations as between all contracting parties. The Council considers that too selective an approach to individual negotiating points should be avoided. A balanced package of topics for negotiations should be

...../

agreed in which all participants will find advantages for themselves. In principle, items should be negotiated and the results implemented in parallel and not in succession.

7. Against this background, and in the light of the desiderata and other relevant considerations mentioned above, the Council considers that a new round would help to promote world economic recovery and growth and would reinforce the multilateral structures and disciplines of the GATT.

Subject to the establishment of an adequate prior international consensus on objectives, participation and timing, the Community declares its readiness to participate in the launching of a new round. The Community will accordingly now enlist the support of its trading partners, particularly among the developing countries, to this end.

The Community further proposes that the new round should be inaugurated in Brussels. The Community recognizes that a precise date for the formal launching of a new round cannot be fixed now. A step-by-step approach will best permit solid progress to be made

To initiate the process, the Community renews its proposal of last May for an ad hoc GATT meeting, in the coming months, preferably at the level of senior officials from capitals, to intensify consultations about a new round, and with the objective that a broad consensus on subject matter and participation should be secured at the earliest possible date.

