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To: Members of the Executive Board
From: The Secretary
Subject: Report on the Conclusion of the Mid-Term Review
of the Uruguay Round (April 1989)

Attached for the information of the Executive Directors is a report by the Fund observers on the conclusion of the mid-term review of the Uruguay Round, held in Geneva during April 5-8, 1989.

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Department Heads

INTERNATIONAL MONETARY FUND

Report on the Conclusion of the Mid-Term Review
of the Uruguay Round (April 1989)

Prepared by the Fund Observers 1/

May 1, 1989

I. Introduction

The Uruguay Round's Trade Negotiations Committee (TNC) met during April 5-8, 1989 under the chairmanship of Mr. Arthur Dunkel, the GATT Director-General, to conclude the Round's Mid-Term Review which had been suspended at the close of the Montreal Ministerial meeting last December. Ministers had reached agreement at the December meeting in 11 negotiating areas, but they had been unable to carry forward the negotiations in four key areas: textiles and clothing, safeguards, trade-related aspects of intellectual property rights (TRIPs), and agriculture. As a result, the agreements in the 11 areas had been placed "on hold," Mr. Dunkel had been requested to carry out high-level consultations on the four outstanding issues, and the TNC had been instructed to meet again during the first week in April at the level of high officials to review the entire package of results.

When the TNC convened on April 5, important differences continued to divide participants in each of the four unresolved areas, despite the intensive efforts that had been led by Mr. Dunkel in the preceding three months. During the following three days, heads of delegations met virtually around the clock in various informal settings in an effort to unblock the negotiations, and when Mr. Dunkel convened a formal meeting on the afternoon of April 8, the TNC was in a position to agree without debate on compromise texts in the four areas (attached). The TNC then adopted, also without discussion, the entire package of Mid-Term results, including the agreements that had been reached in Montreal. Finally, the TNC decided that the Group of Negotiations on Goods (GNG) and its subsidiary negotiating groups should examine at their next meetings a set of proposals in favor of the least developed countries. 2/ Following the formal adoption of results, a large number

1/ Jack P. Barnouin and Roger P. Kronenberg of the Geneva Office.

2/ GATT document MTN/GNG/W/15.

of delegations took the floor to congratulate Mr. Dunkel on his efforts and to flag areas of particular concern to them for the remainder of the negotiations.

II. Textiles and Clothing

Throughout the consultations leading up to the TNC meeting, the views of participants had continued to diverge widely on whether the notion of a gradual and progressive integration of the textiles and clothing sector into the GATT needed to be defined in terms of a specific time frame. While many developing countries had insisted on the adoption of such a time frame, Canada, the European Community, Japan, the Nordic countries, and the United States had opposed such a move on the grounds that it would prejudice the outcome of the negotiations. Another contentious issue had been whether participants should enter into a specific freeze or standstill commitment on restrictive measures in the sector, which would go beyond the general standstill undertaking embodied in Part I. C of the Punta del Este Declaration. This was advocated by exporting developing countries but opposed by many importing developed countries which wanted to retain the right to make full use of the Multifibre Arrangement (MFA), if needed.

The decision adopted by the TNC calls for the immediate commencement of substantive negotiations on modalities for the integration of the textiles and clothing sector into the GATT, but it does not define any specific time frame for achieving such an integration. This issue, together with other issues such as "the phasing out of restrictions under the MFA as well as of other restrictions not consistent with GATT rules and disciplines" and "the progressive character" of the integration process is left to further negotiations. With respect to the standstill issue, the text refers to the general commitment included in the Punta del Este Declaration, but does not call for a specific freeze on restrictive measures in the textiles and clothing sector. Instead it merely states that "all participants should endeavour to improve the trade situation paving the way for the integration of the textiles and clothing sector into GATT."

Following the adoption of the decision, the representative of Pakistan stated that the agreement on textiles did not accommodate the modest expectations of his authorities for a freeze on restrictions against exporting developing countries. The representative of Tanzania echoed the misgivings of the previous speaker and argued that the textiles negotiations would provide a critical test of the willingness

of participants to allow developing countries to benefit from their own comparative advantage. For his part, the representative of the European Community (EC) stated that the textiles negotiations should establish agreed rules which would ensure equitable competition in the textiles sector as well as necessary textiles-specific safeguards during the integration process. A precipitous phasing-out of the MFA, he went on to say, could only lead to disorder and to a temptation to act unilaterally.

III. Safeguards

The major issue at stake in this area was whether safeguard measures should be applied on a nondiscriminatory basis, as required by current GATT rules, or on a selective basis as had been advocated notably by the EC. A related issue was the extent to which so-called "gray area" measures, such as voluntary export restraints, would be brought under GATT disciplines.

The decision adopted by the TNC gives an indirect endorsement to the continued application of safeguards on a nondiscriminatory basis and to the establishment of GATT disciplines over "gray area" measures since it stresses the "importance of concluding a comprehensive safeguards agreement based on the basic principles of the General Agreement which would aim to re-establish multilateral control over safeguards, inter alia, by eliminating measures which escape such control." However, it also recognizes that substantive agreement cannot be reached on individual issues in the safeguard area without taking into account the interrelationships between those issues. This leaves considerable room for further discussions on all the issues at stake in the area during the second stage of the Round.

With respect to the future work of the Negotiating Group on Safeguards, the TNC decision requests the Chairman of the Group to draw up the draft text of a comprehensive agreement preferably by the end of April 1989 so that negotiations could begin in earnest by June 1989.

IV. Trade-Related Aspects of Intellectual Property Rights, including trade in counterfeit goods (TRIPs)

In the consultations leading up to the meeting, developed countries had continued to advocate the elaboration of substantive norms, standards, and disciplines in this sector, while Brazil and India, among others, had strongly opposed this approach on the grounds that normative activities on intellectual property rights (IPRs) fell solely within the competence of the World Intellectual Property Organization (WIPO). More generally, a number of developing countries had stressed that in any event they should retain the right to enforce regulations

on intellectual property rights in accordance with their developmental objectives.

The TNC decision states that the negotiations will be "without prejudice to the views of the participants concerning the institutional aspects of the international implementation of the negotiations in this area, which is to be decided pursuant to the final paragraph of the Punta del Este Declaration" (i.e. by consensus). It enumerates the issues which will be covered by the negotiations, including: the applicability of the basic principles of the GATT and of relevant international intellectual property agreements or conventions; the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights; the provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems; and the provision of effective and expeditious procedures for the multilateral prevention and settlement of disputes between governments, including the applicability of GATT procedures. Finally, it refers to the "concerns raised by participants related to the underlying public policy objectives of their national systems for the protection of intellectual property, including developmental and technological objectives."

This carefully worded text gives a degree of satisfaction to both the developing and developed countries. On the one hand it acknowledges the developing countries' reservations on GATT normative activity in the field of TRIPs by postponing the decision on whether the results of the negotiations should be implemented within GATT or outside of it until the end of the Uruguay Round, and by stipulating that such a decision would be reached by consensus. It also acknowledges the concerns of these countries regarding the need to protect the developmental objectives of their national regulations on IPRs. On the other hand it endorses the developed countries' view that the definition of substantive standards and principles for TRIPs should be included among the topics of the negotiations.

Following the adoption of the text, the representative of Brazil stated that the agreement on TRIPs did not prejudice the final results of the negotiations, either with respect to the substance of the results or the institutional framework where they may be implemented. The representative of India said that the question of the relationship of the TRIPs negotiations and the GATT must be rightly decided at the end of the Uruguay Round, and he expressed satisfaction that there was no prejudgment at this stage. He also noted that participants had agreed to take fully into consideration the concerns of countries at different levels of development and with differing systems of intellectual property rights protection. The representative of Colombia, supported by Cuba and Nicaragua, said that the text on TRIPs went far beyond the Punta del Este mandate; for their part, the Colombian authorities would continue to regard the Punta del Este mandate as the basis for the

negotiations. Finally, the representative of the European Community said that his authorities supported the establishment of agreed principles, procedures, and disciplines in the area of TRIPs and believed that such discipline should be capable of integration into the GATT.

V. Agriculture

At the Montreal Meeting, a point of contention was the relative emphasis on short-term versus long-term measures to tackle agricultural protection. In subsequent informal consultations, compromises were reached among the delegations. The decision finally adopted by the TNC acknowledges the need to make agricultural policy "more responsive to international market signals" and sets forth a number of principles which should serve as guidelines in the pursuit of that objective.

1. Long-term elements

Besides the general question of the long-term objective of the reform, the views of various delegations had also diverged widely on an array of subsidiary issues. These issues--which were solved only in the final hours of the TNC session--included: whether the elimination or reduction of support should be negotiated in terms of an Aggregate Measurement of Support (AMS) as advocated by the EC or in terms of specific support measures as favored by others; the conversion of nontariff measures into tariffs (requested by the United States and opposed by the EC); the question of "re-balancing" existing levels of support and protection (advocated by the EC and opposed by the United States and the Cairns Group); the acknowledgement of the role of noneconomic factors (suggested by the EC, the European Free Trade Association (EFTA), Japan, and Korea and rejected by the United States and the Cairns Group), and the question of compensatory measures for the possible adverse impact of long term reforms on food-importing developing countries.

The compromise adopted by the TNC states that the long-term objective of the reform program is "to provide for substantial progressive reductions in agricultural support and protection sustained over an agreed period of time." This goal is to be achieved through negotiations on specific policy measures, through the negotiations of commitment on an AMS, or through a combination of these approaches. Moreover, in response to a specific request of the EC, the agreement specifies that "credit will be given for measures implemented since the Punta del Este Declaration which contribute positively to the reform programme."

As regards the scope of the reform program, the decision states that the program should encompass "all measures affecting directly or indirectly import access and export competition," in particular tariffs, quantitative and other non-tariff restriction (including the question of their conversion into tariffs), internal support measures, direct budgetary assistance to exports, and export prohibitions and restrictions.

Regarding the special interests of developing countries the text acknowledges that special and differential treatment to developing countries is an integral element of the negotiation; that government measures and assistance to encourage agricultural and rural development are an integral part of the development programs of developing countries, and that ways should be developed to take into account the possible negative effects of the reform process on net-food importing developing countries.

The text also recognizes that factors other than trade policy are taken into account by the participants in the formulation of their agricultural policies and that certain of these factors, such as concerns for food security, should also be taken into account in the negotiations on long-term objectives.

With respect to the future work of the Negotiating Group on Agriculture, the decision calls on participants to table, by December 1989, detailed proposals on a number of unresolved matters. These matters include, the terms and use of an AMS; the modalities of special and differential treatment for developing countries; the ways and means to convert non-tariff barriers into tariffs; and the question of decoupled income support and other ways to adapt support and protection (an implicit reference to the concept of re-balancing of support and protection levels). The agreement further stipulates that, not later than the end of 1990, the participants will agree on the contents and time span of the reform program and that a first tranche of agreed commitments will be implemented in 1991.

2. Short-term elements

In this area the initial views of the delegation were also considerably apart on a number of issues including whether the program should call for an initial reduction of support (as suggested by the Cairns Group) or for a simple freeze of such support (as advocated by the EC and some others); what the base year should be for monitoring such a reduction or freeze in support; and whether the participants should agree not to relax governmental measures designed to restrict production through such arrangements as land set-aside program (as requested by the EC and opposed by the United States).

The agreement finally reached by the TNC states that from the adoption of the decision to the completion of the Uruguay Round the participants will "undertake to ensure that current domestic and export support and protection levels in the agricultural sector are not exceeded." The participant will be deemed to be in compliance with the undertaking regarding protection "so long as the access opportunities granted to individual products in 1989 and 1990 are not less than those granted on average in 1987 and 1988." With respect to the commitment on domestic support, producer prices that are set or determined directly or indirectly by governments or their agencies shall not be raised above the level prevailing at the date of the decision. Such prices are to be expressed in national currencies except in the case of the EC where they will be expressed in ECU. (This allows the EC to raise support prices to producers expressed in a given European currency when that currency depreciates against the ECU.)

Unlike the commitments on protection and domestic prices the commitment on export support is only mentioned in broad terms in the introductory sentence of the agreement. This seems to imply that while overall export support cannot be raised above the level prevailing at the time of the agreement, export subsidies for specific products could be increased if such increases are offset by a reduction of subsidies for other products. No reference is made to production restrictive measures, and governments are therefore left free to relax such measures if they so wish.

The TNC decision does not include any binding commitment regarding the reduction of support and protection levels over the short term. However, it acknowledges that participants intend to reduce such levels for 1990 by using an AMS or by taking specific policy measures and that they will notify their undertakings in this respect by October 1989.

Developing countries are not expected to subscribe to the short-term commitments embodied in the decision and other participants might be relieved of these commitments by the Negotiating Group on Agriculture in exceptional circumstances which might include the existence of excessive rates of inflation.

3. Sanitary and phytosanitary regulations

A final subject matter dealt with by the decision is the question of the harmonization of national sanitary and phytosanitary regulations. The decision endorses as a long-term goal such harmonization on the basis of appropriate standards established by relevant international organizations. Towards this end the participants agree to strengthen GATT rules to ensure that measures taken to protect human, animal or plant life are consistent with sound scientific evidence. They also agree to improve the effectiveness of procedures for resolving disputes arising in this field.

4. Concluding remarks by delegations

Following the adoption of the decision on agriculture, the representative of Japan said that, in implementing the short term elements of agricultural reform, his authorities intended to express its AMS as the sum of such measures for major agricultural products, with 1986 as the base period. The representative of Iceland, Korea, Norway, and Switzerland stressed the importance of noneconomic factors, including food security, in their agricultural policies; the representatives of Iceland, Norway, and Switzerland also noted that the implementation of short term reform was to be carried out in the context of existing national legislation and GATT rights and obligations. While the representative of Australia welcomed the inclusion of clear short- and long-term commitments in the agriculture agreement the representative of Chile stated that, far from meeting his authorities' aspirations, the agreement lacked quantifiable commitments and introduced questionable noneconomic factors. The representatives of India and Pakistan welcomed the acceptance of special and differential treatments for developing countries as an integral element of the agriculture negotiations. Speaking generally about the various agreements reached, the representative of South Africa said that, although his country did not claim developing country status in the GATT, prevailing circumstances and development needs could influence the extent to which South Africa could undertake commitments comparable to those which industrialized countries might be able to undertake.

TEXTILES AND CLOTHING

CHAIRMAN'S TEXT

1. Ministers recognize that the sector of textiles and clothing is of great importance for the economies of many countries and particularly for the economic and social development of many developing countries and for the expansion of their export earnings.
2. Ministers, therefore, recognize that negotiations in this sector are one of the key elements in the Uruguay Round, and should contribute to further liberalization of trade.
3. With a view to achieving substantive results in this area of the negotiations, and bearing in mind the general principles governing the negotiations and the organization thereof as set out in Part I of the Punta del Este Declaration, Ministers agree that:
 - (a) substantive negotiations will begin in April 1989 in order to reach agreement within the time-frame of the Uruguay Round on modalities for the integration of this sector into GATT, in accordance with the negotiating objective;
 - (b) such modalities for the process of integration into GATT on the basis of strengthened GATT rules and disciplines should inter alia cover the phasing out of restrictions under the Multi-fibre Arrangement and other restrictions on textiles and clothing not consistent with GATT rules and disciplines, the time-span for such a process of integration, and the progressive character of this process which should commence following the conclusion of the negotiations in 1990;
 - (c) to this end participants are invited to put forward additional proposals, preferably not later than 30 June 1989;
 - (d) special treatment should be accorded to the least-developed countries.
4. To provide a positive climate for these negotiations, and without prejudice to the existing rights and obligations, and reaffirming their commitments embodied in Part I.C of the Punta del Este Declaration, all participants shall endeavour to improve the trade situation paving the way for the integration of the textiles and clothing sector into GATT.

SAFEGUARDS

CHAIRMAN'S TEXT

Ministers stress the importance of concluding a comprehensive agreement on safeguards based on the basic principles of the General Agreement which would aim to re-establish multilateral control over safeguards, inter alia, by eliminating measures which escape such control. Ministers recognize that such an agreement is vital to the strengthening of the GATT system and to progress in the Multilateral Trade Negotiations. Accordingly, they:

- (a) take note of the in-depth examination of the specific elements which has contributed to a better understanding of the whole issue;
- (b) recognize that, because of the interrelationships between the elements, substantive agreement cannot be reached on individual elements in isolation;
- (c) recognize that safeguard measures are by definition of limited duration;
- (d) in the light of the decision of the Negotiating Group, authorize its Chairman, with the assistance of the secretariat and in consultation with delegations, to draw up a draft text of a comprehensive agreement as a basis for negotiation, without prejudice to the right of participants to put forward their own texts and proposals, preferably before the end of April 1989; and
- (e) agree to begin negotiations on the basis of the draft text by June 1989 at the latest.

TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY RIGHTS,
INCLUDING TRADE IN COUNTERFEIT GOODS

CHAIRMAN'S TEXT

1. Ministers recognise the importance of the successful conclusion of the multilateral negotiations on trade-related aspects of intellectual property rights, including trade in counterfeit goods, that were initiated by the decision of the CONTRACTING PARTIES at Punta del Este.
2. Ministers recall the relevant provisions of the Punta del Este Declaration, including the objective of strengthening the role of GATT and of bringing about a wider coverage of world trade under agreed, effective and enforceable multilateral disciplines, as well as the general principles governing the negotiations set out in I.B of the Punta del Este Declaration, notably paragraphs (iv)-(vii).
3. Ministers agree that the outcome of the negotiations is not prejudged and that these negotiations are without prejudice to the views of participants concerning the institutional aspects of the international implementation of the results of the negotiations in this area, which is to be decided pursuant to the final paragraph of the Punta del Este Declaration.
4. Ministers agree that negotiations on this subject shall continue in the Uruguay Round and shall encompass the following issues:
 - (a) the applicability of the basic principles of the GATT and of relevant international intellectual property agreements or conventions;
 - (b) the provision of adequate standards and principles concerning the availability, scope and use of trade-related intellectual property rights;

- (c) the provision of effective and appropriate means for the enforcement of trade-related intellectual property rights, taking into account differences in national legal systems;
- (d) the provision of effective and expeditious procedures for the multilateral prevention and settlement of disputes between governments, including the applicability of GATT procedures;
- (e) transitional arrangements aiming at the fullest participation in the results of the negotiations.

5. Ministers agree that in the negotiations consideration will be given to concerns raised by participants related to the underlying public policy objectives of their national systems for the protection of intellectual property, including developmental and technological objectives.

6. In respect of 4(d) above, Ministers emphasise the importance of reducing tensions in this area by reaching strengthened commitments to resolve disputes on trade-related intellectual property issues through multilateral procedures.

7. The negotiations shall also comprise the development of a multilateral framework of principles, rules and disciplines dealing with international trade in counterfeit goods.

8. The negotiations should be conducive to a mutually supportive relationship between GATT and WIPO as well as other relevant international organisations.

AGRICULTURE

CHAIRMAN'S TEXT

1. The Negotiating Group on Agriculture has made substantial progress in elaborating the elements of the negotiating proposals and submissions under the subsequent negotiating process. The stage has now been reached in this process where the general direction and procedures to be followed in the final phases of the negotiations need to be defined in operational terms so as to provide a framework for liberalizing trade in agriculture and bringing all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines.

2. There is a broad measure of consensus that agricultural policies should be more responsive to international market signals in order to meet the objective of liberalization of international trade and that support and protection should be progressively reduced and provided in a less trade-distorting manner.

3. The particular needs and conditions of developing countries should be fully taken into account at all stages of the negotiation in conformity with the principle of special and differential treatment to developing countries as laid down in the Punta del Este Declaration.

4. Ministers accordingly endorse a framework approach comprising the following interrelated long- and short-term elements and arrangements on sanitary and phytosanitary regulations.

A. LONG-TERM ELEMENTS AND GUIDELINES FOR REFORM

5. Ministers agree that the long-term objective of the agricultural negotiations is to establish a fair and market-oriented agricultural trading system and that a reform process should be initiated through the negotiation of commitments on support and protection and through the establishment of strengthened and more operationally effective GATT rules and disciplines.

6. The above-mentioned long-term objective is to provide for substantial progressive reductions in agricultural support and protection sustained over an agreed period of time, resulting in correcting and preventing restrictions and distortions in world agricultural markets. This goal will be realized through negotiations on specific policies and measures, through the negotiation of commitments on an aggregate measurement of support, the terms of which will be negotiated, or through a combination of these approaches. Credit will be given for measures implemented since the Punta del Este Declaration which contribute positively to the reform programme.

7. In realizing the long-term objective stated above, the strengthened and more operationally effective GATT rules and disciplines, which would be equally applicable to all contracting parties, and the commitments to be negotiated, should encompass all measures affecting directly or indirectly import access and export competition, in particular:

Import access

- quantitative and other non-tariff access restrictions, whether maintained under waivers, protocols of accession or other derogations and exceptions, and all measures not explicitly provided for in the General Agreement, and the matter of conversion of the measures listed above into tariffs;
- tariffs, including bindings;

Subsidies and export competition

- internal support measures (including income and price support) which directly or indirectly affect trade;
- direct budgetary assistance to exports, other payments on products exported and other forms of export assistance.

Export prohibitions and restrictions

- export prohibitions and restrictions.

8. Ministers agree that:

- special and differential treatment to developing countries is an integral element of the negotiations particularly on the strengthened and more operationally effective GATT rules and disciplines;
- government measures on assistance, whether direct or indirect, to encourage agricultural and rural development are an integral part of the development programmes of developing countries;
- ways should be developed to take into account the possible negative effects of the reform process on net food importing developing countries.

Non-trade concerns

9. Participants recognize that factors other than trade policy are taken into account in the conduct of their agricultural policies. In the negotiations to achieve the long-term objective, account will be taken of proposals aimed at addressing participants' concerns such as food security.

Implementation

10. Implementation of the first tranche of agreed commitments on the long-term reform programme shall take place in 1991.

Work Programme

11. Participants are invited to advance by December 1989 detailed proposals for the achievement of the long-term objective, including the following:

- the terms and use of an aggregate measurement of support;
- strengthened and more operationally effective GATT rules and disciplines;
- the modalities of special and differential treatment for developing countries;
- sanitary and phytosanitary regulations and the work programme foreshadowed in (C) below;
- tariffication, decoupled income support, and other ways to adapt support and protection;
- ways to take account of the possible negative effects of the reform process on net food-importing developing countries.

12. Not later than the end of 1990, participants will agree on the long-term reform programme and the period of time for its implementation. Soon thereafter, taking into account the different national procedures for implementation of international agreements, participants will notify their plans for meeting the obligations and commitments agreed upon.

Surveillance

13. The reform programme will be subject to multilateral surveillance and other procedures necessary to ensure full compliance with commitments made in the negotiations.

B. SHORT-TERM ELEMENTS

14. With effect from the adoption of this decision and continuing until the formal completion of these negotiations on agriculture by December 1990, participants, within the scope of their existing legislation and their existing GATT rights and obligations, undertake to ensure that current domestic and export support and protection levels in the agricultural sector are not exceeded. Participants undertake to ensure that tariff and non-tariff market access barriers in force at the date of this decision are not subsequently intensified in relation to imports of agricultural products nor extended to additional products, including processed agricultural products. Participants shall be deemed to be in compliance with this undertaking so long as the access opportunities granted to individual products in 1989 and 1990 are not less than those granted on average in 1987 and 1988. Participants shall also ensure that support prices to producers, to be expressed in national currencies^{*}, that are set or determined directly or indirectly by governments or their agencies are not raised above the level prevailing at the date of this decision or otherwise take actions to ensure that the current levels of support for the commodity concerned are not increased.

15. Participants state their intention to reduce support and protection levels for 1990. This could be done either by using an AMS or by taking specific policy measures. They will notify the undertakings for fulfilling this commitment by October 1989.

Reporting requirements

16. Participants agree to report on their compliance with the above undertakings at six-month intervals. The first report shall be submitted not later than 1 December 1989.

^{*} ECU in the case of the EEC

17. Any participant may raise any matter relating to or affecting the observance of the commitments at a meeting of the Negotiating Group on Agriculture.

18. In exceptional circumstances^{*} a participant can be relieved by the Negotiating Group on Agriculture of commitments under the above undertakings.

Developing countries

19. Developing countries are not expected to subscribe to the commitments under B.

C. SANITARY AND PHYTOSANITARY REGULATIONS

20. Ministers endorse harmonization of national regulations as a long-term goal and a work programme embodying the following objectives:

- (1) develop harmonization of sanitary and phytosanitary regulations and measures, on the basis of appropriate standards established by relevant international organizations including the Codex Alimentarius Commission, the International Office of Epizootics and the International Plant Protection Convention;
- (2) strengthen Article XX so that measures taken to protect human, animal or plant life or health are consistent with sound scientific evidence and use suitable principles of equivalency;
- (3) review existing notification and counter-notification procedures to ensure transparency and the existence of an effective

^{*} For particular countries excessive rates of inflation will be taken into account.

notification process for national regulations and bilateral agreements;

- (4) develop a consultative process which ensures transparency and allows opportunity for the bilateral resolution of disputes;
- (5) improve the effectiveness of the multilateral dispute settlement process within the GATT in order to provide the necessary input of scientific expertise and judgment, relying on relevant international organizations;
- (6) assess the possible effects on developing countries of the GATT rules and disciplines for sanitary and phytosanitary measures, and evaluate the need for technical assistance;
- (7) examine the possibilities for implementation of the above programme in the context of short-term elements.

