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E.C., U.S. ANNOUNCE PROGRESS IN TOKYO ROUND

The delegations of the European Community and the United States issued the following joint statement on progress in the Tokyo Round of Multilateral Trade Negotiations at noon today in Geneva.

The delegations of the Commission of the European Communities and the United States, having reviewed the state of progress achieved in the Tokyo Round of Multilateral Trade Negotiations at the end of the year, noted with satisfaction the significant progress made both multilaterally and bilaterally across the full range of subjects under discussion.

The delegation reported that they have essentially resolved their differences on non-tariff measures. They noted that the major elements for a final balance in the agricultural sector are now on the table as far as both sides are concerned. With regard to tariffs, they noted that, while the major elements for a substantial deal were now present, further bilateral negotiations would be needed to reach a mutually satisfactory agreement reflecting a balance both in qualitative as well as quantitative terms.

They reported the following areas of broad agreement thus far:

1. A series of non-tariff measure codes -- these cover the subjects of subsidies/countervailing measures, government procurement, standards (technical barriers to trade), customs valuation, licensing, and an agreement in principle on trade in counterfeited goods. The delegations stated that these arrangements as a group establish the foundation for a

more modern, disciplined and fair trading system. They also noted that these codes as a group make up the keystone of the Tokyo Round and represent the first time that non-tariff measures have been dealt with on such a broad scale in the course of multilateral trade negotiations.

2. Agriculture -- The major elements mentioned earlier include four commodity arrangements (covering meat, dairy, and the two grains accords being negotiated in another forum), a series of non-tariff understandings, and reciprocal bilateral agricultural concessions.

3. Reforms of the GATT and the trading system -- They noted that there were no remaining differences between them concerning the series of framework agreements now nearing a full multilateral accord. These set out a series of reforms of GATT practices as well as new provisions of special importance to developing countries. The elements included in the framework are: an enabling clause covering special and differential treatment and graduation, an understanding on balance-of-payments measures, a clarification of procedures for handling dispute settlements, and an understanding on export restrictions.

In the safeguard sector, the delegation observed that they developed a basis for an understanding bilaterally on these issues but wish to pursue this topic further in a multilateral context in order to obtain the broadest base of consensus possible among negotiating partners before finalizing their positions.

The tariff work remaining is still difficult and time-consuming and will be carried on in the first part of January. The last steps largely concern achieving a mutually acceptable balance. This balance is not only bilaterally but also multilaterally important since the European Community and the United States account for more than 40 percent of world trade.