ANNEXURE 1

THE URUGUAY ROUND IN BRIEF

a. Tariffs and other protection reductions
- Textiles, clothing and agriculture integrated fully into the GATT.
- Textile and clothing tariffs cut by 22 per cent; other market access concessions.
- Agriculture quotas to be ‘tariffed’, tariffs then to be cut by 36 per cent (24 per cent for developing countries), market access restrictions reduced, a minimum market access of 5 per cent required; export subsidies and domestic assistance to be cut.
- Industrial tariffs of the OECD countries to be cut by 38 per cent to an average of 3.9 per cent; 43 per cent of all imports to be admitted duty free; most tariff levels to be bound; some reductions in tariff 'escalation'; free trade in 11 key sectors within a decade.

b. NTBs and loopholes
- VERs and certain other NTBs eliminated
- Subsidies: export or local content assistance outlawed ('red light'); subsidies which significantly affect another country restricted and actionable ('yellow light'); research, environmental or other generally applicable subsidies permitted for five years ('green light').
- Anti-dumping and countervailing duties: more restrictive rules for application and investigation.
- Safeguards: conditions restricted, but still permissible via temporary tariffs.

c. Technical matters
- Customs valuation, inspection and licensing procedures to be streamlined; rules of origin to be harmonised.
- Technical barriers (specifications, standards, labelling etc.) to be harmonised internationally, made transparent based on 'scientific' principles and minimally trade restrictive
Sanitary and phytosanitary (food, human, plant and animal) standards to entail similar principles.

Standards to be set by three international advisory bodies.

d. **Trade-related investment measures (TRIMs)**

Restrictions on foreign investors such as local input quotas, limitations on imported components, trade balancing.

e. **Trade-related intellectual property rights (TRIPs)**

Establishes unprecedented global rules for all key IPRs; developing countries have 10 years’ grace.

Protection periods are: copyright, databases and computer programs (50 years); trade marks (7 years); industrial designs (10 years); patents (20 years) and trade secrets (indefinite).

TRIPs disputes are subject to the WTO disputes-settlement procedures, including possible retaliation.

f. **Services**

An unprecedented new agreement, General Agreement on Trade in Services (GATS) covers all commercial services for the first time in history.

All basic GATT principles apply to all services and to four modes of provision, but in several different ways — transparency and progressive liberalisation apply to all members, MFN applies on a ‘negative list’ basis; ‘National Treatment’ and ‘market access’ apply on a ‘positive list’ basis (see Glossary).

In scheduled sectors, government regulatory capacity, including the right to limit foreign investment, is curtailed.

Special agreements and continuing negotiations for finance, telecommunications, maritime transport and aviation.

g. **Plurilateral agreements**

Extensions of Tokyo Round agreements on bovine meat, dairy, civil aircraft and government procurement.

Government procurement agreement now covers more sectors and public entities than before and enhances rights of foreign tenderers.
• These agreements are signed voluntarily but binding on signatories.

h. Functioning of the GATT system (FOGS)
• New system a ‘three-legged stool’ – the WTO as seat, with GATT, GATS and TRIPs as legs.
• WTO replaces the GATT Secretariat and has comparable legal status to the UN.
• GATT remains as an agreement covering goods and providing key trade principles.
• All WTO members must accept all Final Act agreements of Uruguay Round except plurilateral agreements.
• Voting procedures rationalized. general decisions, simple majority; waivers and interpretations, ¾ majority; amendments, 2/3 majority or unanimity to change voting rules
• Disputes panel reports adopted and implemented automatically unless there is unanimity against doing so.
• Cross-retaliation allowable for rule-breaches

Source: Dunkley, 2001, pp.49