



# GUIDE

## to the Uruguay Round Agreements



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WORLD TRADE ORGANIZATION  
ORGANISATION MONDIALE DU COMMERCE  
ORGANIZACIÓN MUNDIAL DEL COMERCIO

# **Guide to the Uruguay Round Agreements**

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## **GUIDE TO THE URUGUAY ROUND AGREEMENTS**

## Foreword

This book's purpose is to make the results of the Uruguay Round of trade negotiations easier to understand.

The Uruguay Round, one of the longest and most complex economic negotiations ever undertaken, was completed successfully in December 1993. Its results are embodied in nearly 30 legal agreements and a large number of supplementary decisions, all signed in April 1994 by over 100 countries, as well as in highly detailed separate undertakings in which each country specifies the levels of trade restriction which, for thousands of different products or services, it promises not to exceed. The joint agreements and decisions alone add up to well over 500 pages of printed text, and the individual undertakings, or schedules, bring the total volume of the results to almost 30,000 pages. This formidable mass of paper embodies a total overhaul of the basic rules and institutions of world trade, and the birth of a new institution, the World Trade Organization, to manage it.

Business enterprises, governments and individual citizens will be directly affected by what has been agreed in the Uruguay Round texts. Well into the next century, world economic growth, and economic and social developments in every country, will be influenced by this reshaping of the multilateral trading system. Under the system embodied in the GATT (the more limited predecessor of the World Trade Organization), world output multiplied 5½ times and world trade 14 times between 1948 and 1994.

Many efforts have already been made to present an overall view of the results of the Uruguay Round and their significance. In general, however, reports on the Round have described the agreements only in broad terms, and often from a very specific viewpoint. People who wish to have a fuller and more precise view of the results have largely been left to find their way, as best they can, through the legal texts. This book offers them a companion and guide.

The multilateral agreements and decisions have already been published together under the title *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts*.<sup>1</sup> The present volume gives a straightforward

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<sup>1</sup> GATT Secretariat (1994), *The Results of the Uruguay Round of Multilateral Trade Negotiations: The Legal Texts*, Geneva; GATT Secretariat. All individual Uruguay Round agreements, decisions, understandings and declarations footnoted herein can be found in this volume, unless otherwise mentioned. The same material, together with some 28,000 pages of schedules representing commitments on goods and services

explanation of each agreement, with cross-references to the provisions of the legal text and any associated decisions, including important interpretative decisions that may have been taken since April 1994. Brief introductory notes explain the agreement's purpose, and provide sufficient background to put it into context. No attempt is made to trace the negotiating history of the agreement, or to identify the interests which led to its adoption; the concern is simply to help understanding of what was finally agreed.<sup>2</sup> The WTO has also published all the national schedules which set out the detailed commitments of each participant in the Round.<sup>3</sup> For the most part, the schedules consist of long lists of individual products and services, with brief indications of the maximum rate of import duty, or minimum level of access or treatment, which the country concerned will apply if these products or services are supplied from other member countries of the WTO. The schedules are an invaluable source of detailed information about national trade policy commitments for the goods or services concerned. However, they offer no help to the reader who wants to understand their significance in terms of liberalization, compared with the policies previously applied, or in terms of the effect this liberalization may have on international trade and incomes in future. This book provides the WTO Secretariat's own analysis of the significance and likely impact of the commitments in the goods and services schedules.

This publication is issued on the responsibility of the WTO Secretariat. The explanations given of each of the Uruguay Round texts are based on the Secretariat's own present understanding of agreements which, for the most part, have yet to be seriously tested by experience. They must not be taken to constitute legal interpretation of the agreements. Authoritative interpretation can only be undertaken by the WTO member governments, acting jointly and in accordance with the relevant provisions of the WTO agreements themselves.

John Croome, a former senior director in the GATT Secretariat who was also author of the WTO's official history of the Uruguay Round negotiations, wrote those sections of this book which describe and explain the WTO agreements. Sections II and III of Part Two, and section II of Part Three (which analyze the specific commitments undertaken for both goods and services by participants in the Uruguay Round), and Annex III (update of

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undertaken by individual participants in the Uruguay Round, as well as software which enables the material to be easily searched, is now available on CD-ROM from the WTO Secretariat.

<sup>2</sup> The WTO has also published a history of the Uruguay Round, which describes the origins and course of the Round as a whole, as well as the negotiations on each subject. (John Croome [1995], *Reshaping the World Trading System: A history of the Uruguay Round*, Geneva: World Trade Organization.)

<sup>3</sup> World Trade Organization (1995), *The Legal Instruments of the Uruguay Round*, Geneva: WTO.

economic assessments of the Uruguay Round) are the work of the WTO's Economic Research and Analysis Division. The entire publication has been reviewed for accuracy by the WTO Secretariat divisions responsible for each of the subjects covered.



## The structure of this book

This book is structured in broadly the same way as the overall agreement embodying the results of the Uruguay Round which was signed in Marrakesh on 15 April 1994, and which is reproduced in the publication *The Results of the Uruguay Round of Multilateral Trade Negotiations: the Legal Texts*.<sup>4</sup> However, some adjustments have been made to bring together the discussion of closely-related subjects.

The substantive agreements reached in Marrakesh, which together establish the institutions and rules of the new multilateral trading system, take the form of the short **Agreement Establishing the World Trade Organization**, to which are attached four annexes.

- **Annex 1** contains most of the detailed rules, and is divided into three sections:

1A, containing the revised General Agreement on Tariffs and Trade and the other agreements governing trade in goods;

1B, the General Agreement on Trade in Services; and

1C, the Agreement on Trade-Related Aspects of Intellectual Property Rights.

Collectively, the agreements included in Annex 1 are referred to as the **Multilateral Trade Agreements**, since they comprise the substantive trade policy obligations which all the members of the WTO have accepted.

- **Annex 2** sets the rules and procedures for dispute settlement.
- **Annex 3** provides for regular reviews of developments and trends in national and international trade policy.
- **Annex 4** covers four "plurilateral" agreements (of which only two are now in force) that are now within the WTO framework but which have limited membership.

Finally, the Marrakesh texts include a number of **decisions and declarations** on a wide variety of matters that were adopted at the same time as the WTO agreement itself. This is the sequence in which the legal texts are reproduced in *The Results of the Uruguay Round of Multilateral Trade Negotiations*.

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<sup>4</sup> *Op. cit.*, herein noted as *Results*



In the present work, Part One provides a guide to the World Trade Organization itself, and to two of the annexes just mentioned – Annex 2, on dispute settlement, and Annex 3, on trade policy reviews. These subjects are taken together because dispute settlement and the policy reviews are the direct responsibility of the WTO's central governing bodies, and apply to all three of the trade sectors dealt with in Annex 1. Part One also covers several closely related decisions and declarations.

The first section of Part Two deals with the Annex 1A agreements on goods, and related decisions. The remainder of Part Two also deals with trade in goods: it looks at the coverage of the specific commitments made by the participating countries, and assesses their significance.

Part Three reviews the Annex 1B the General Agreements on Trade in Services together with related decisions, and their significance.

Part Four covers the Annex 1C Agreements on Trade-Related Aspects of Intellectual Property Rights and related decisions.

Part Five provides an overview of the special provisions of the Uruguay Round agreements for developing countries.

The plurilateral agreements of the Marrakesh Annex 4 are discussed only briefly, in an annex to the present volume, since they did not form part of the Uruguay Round negotiations. A further annex deals with the issue of trade and the environment.

(To help readers in tracking down the explanation of particular texts, Annex IV shows how the full list of agreements and decisions given in the Table of Contents of *The Results of the Uruguay Round of Multilateral Trade Negotiations* correspond to the sections of this book.)

In keeping with the aim of making this account of the Uruguay Round agreements as readable as possible, this book generally avoids the formal capitalization used in the legal texts. Thus, for instance, it uses "members" rather than "Members", "agreement" rather than "Agreement" (except when giving the formal title), and occasionally refers to "countries", even though the criterion for accession to the WTO is not sovereignty but control over trade policy.

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