GENERAL AGREEMENT ON

TARIFFS AND TRADE

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The previous meeting of the CONTRACTING PARTIES coincided with the period preceding the Montreal Mid-Term Review. This year's meeting is taking place at a time when the ongoing negotiations on various issues comprising the Uruguay Round are entering a final and critical stage.

Similarly, the developments taking place in other spheres seem to have gained a momentum unprecedented. Consequently, changes and developments are imminent not only in the GATT world, but all around.

The situation, therefore, calls for some observations; the GATT should not be taken only as a set of rules governing world trade in its static sense. It serves as a body and a machine for trade negotiations, a legal structure where Governments can obtain fair and rational settlements for their trade disputes. GATT's rôle and goal is primarily to create a stable and predictable environment in which trade can flourish to the benefit of mankind. This perspective should not be lost and its dynamic nature should be borne in mind.

The Uruguay Round of negotiations are the most ambitious and complex trade negotiations the world has ever witnessed. These negotiations have the objective to go far beyond the traditional exchange of concessions on specific subjects. They attempt to deal with the real quantitative, disciplinary and institutional dimensions which will constitute the framework of the coming decades. No new system, however, will hold together unless it provides equitable and balanced gains to all concerned. Therefore, if the Uruguay Round is to succeed, there must be a balanced package. A package means that everyone must give in order to receive. It is only in this way that growth and development can be promoted and that, consequently, world trade can be expanded to the benefit of all.

The developing countries have embarked upon multilateral trade negotiations in the hope of a more liberal trading régime, securing better market access for their products. But protectionist pressures in industrialized countries persist and in some cases have even grown stronger. In fact, while many developing countries have significantly liberalized their trading régime, in a number of cases unilaterally, the world's trading system has become markedly less liberal. In this

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connection, note should be taken of the World Bank report where this fact is starkly reflected. Indeed, the asymmetry presently existing in the trade relations between developed and developing countries needs to be removed if we want to achieve a viable international trading system.

It was agreed at Punta del Este that developed contracting parties would not seek, and the less developed contracting parties would not be required to make, concessions that are inconsistent with the latter's development, financial and trade needs and plans. However, as negotiations have progressed, not only are concessions sought from them in all traditional areas related to GATT, but, in the new subjects now added to the GATT agenda, the industrialized countries are seeking to make gains which are highly one-sided.

It is important that the industrialized countries adhere to the letter and spirit of the Punta del Este Declaration in order to accommodate the interests and concerns of developing countries. The economic development of the developing countries and the interdependence of economies should be the central theme of the Uruguay Round and not just of peripheral interest to the negotiations of the industrialized countries.

My remarks concerning the less developed countries should not be taken as an expression of content, or, conformism in the lull of the <u>statu quo</u>, nor as putting all responsibility at the doorstep of the developed countries. We believe -- not in equivocal terms, as amply demonstrated by our own experience -- that developing countries, should step forward in the first place and tackle their own structural problems boldly, to secure an efficient, liberal trading system, bringing about prosperity to their countries.

It is important to keep in mind that at a time when, whatever their political orientation, governments around the world are seeking to give market forces greater play in their economies -- which is one of the most important developments in the last part of this century -- the existing GATT rules should not be eroded in the interest of one group of countries against the other, and that the rights and obligations of all the trading partners be balanced, respected and safeguarded.

This is all the more important on issues related to "market access" and "new areas" if they are to be formulated on a sound basis. Despite progress achieved in the Round so far, divergent views and approaches continue to exist. This is not unexpected at this stage. But if such positions become fossilized, the prospects of achieving the objective that we have set for ourselves will be at great risk.

Another related area with respect to the successful outcome of the Round is, in our view, contingent upon to what extent transparency exists in these negotiations. Negotiations should be conducted under the edifice of GATT in Geneva with strict observance of transparency, and not in various other localities around the world with limited participation, if the objectives of the Round are to be achieved by consensus as a rule.

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Finally, before I conclude, let me stress once again that as we strive to create a more liberal, more equitable and more dynamic framework for the conduct of world trade for the benefit of every trading partner, we must not lose sight of the fact that a balanced outcome of the Uruguey Round negotiations can only be achieved through equitable sacrifices and respect for the genuine interests of all concerned.