

GENERAL AGREEMENT ON

SR.45/ST/31
21 December 1989

TARIFFS AND TRADE

Limited Distribution

CONTRACTING PARTIES
Forty-Fifth Session

Original: English

NEW ZEALAND

Statement by H.E. Mr. G.C. Fortune Ambassador, Permanent Representative

The year 1989 has brought its share of challenges to the GATT. The number of trade disputes settled by means of the GATT continues its promising way upwards - as can be seen by the heavily populated Council agendas - but so too has unilateral action. The trend towards managed trade has continued unabated. Enough has been said about the drawbacks of the unilateral approach in other GATT fora - at best it can be viewed as the expression of frustration at the lack of movement in the Uruguay Round, at worst as an attempt to circumvent the rules and disciplines of the GATT.

The Uruguay Round too has come under sharp and critical public scrutiny. After the collapse of the Montreal Mid-Term Review meeting some commentators were crying that we were witnesses to the dying throes of the GATT itself. These claims highlight that the credibility of the multilateral trading system is open to question.

New Zealand was naturally pleased that the programme for wide-sweeping agricultural reform survived with renewed vigour and emphasis in the April Trade Negotiations Committee agreement. A sizeable proportion of the goods we export are at present held at arms length by the GATT waivers and the like. New Zealand is sharply conscious of some of the reforms needed to the current trade system. Both the recent Cairns Group paper and that of the United States in the agricultural group take us some way down that road. We look forward to seeing the responses of other players in the near future.

For years I and my predecessors have stressed the importance that agriculture holds for New Zealand. New Zealand does not want to achieve built-in advantages for itself or for anyone else. We ask for a 'level playing field', an opportunity for 'fair play' that has been denied to us and other agricultural trading nations for so long. However, despite the hard work in the agricultural negotiations the way forward has still to be mapped out in any meaningful detail.

There are other major elements of the Uruguay Round for which disappointingly little progress has been registered. The market access negotiations, a traditional cornerstone of the Multilateral Trade Negotiations and of the GATT itself, are making slow progress. The wave of 'new protectionism', the plethora of non-tariff measures continues largely unchecked. The Tariffs Group is still debating about modalities, with the bulk of the product negotiations yet to be tackled.

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The most positive sign has been the fruitful negotiations on some of the so-called 'new issues', services for one.

In the remaining twelve months we face a time-table as demanding as the Round itself. I would like to take this opportunity to reiterate that New Zealand will do all it can to ensure that this time-table is fully adhered to. As a small country we realize the benefits of the multilateral trade system and we realize that there is no viable alternative.

New Zealand would like to see a solid and sustainable outcome to the Uruguay Round give a strong lead into the new decade. We want to see agriculture tackled comprehensively, we would like to see credible market access liberalization, and forward-looking measures for the new areas of the GATT.

We would also like to see further emphasis given to dispute settlement. Without a fair and efficient dispute settlement system the GATT could not function effectively. It has been rightly described as the glue which keeps the GATT together, along with the co-operative frameworks developed in the context of the functioning of the GATT system.

Finally, such co-operation also requires surveillance to remain credible. We support action in this area. New Zealand is expecting a GATT team in the middle of next year.