

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

MIN(86)/ST/11
16 September 1986
Special Distribution

Original: English/
Spanish

KOREA: STATEMENT BY HIS EXCELLENCY WOONG-BAE RHA,
MINISTER OF TRADE AND INDUSTRY, AT THE MEETING OF
THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL:
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

I would like to join my colleague in thanking the Government of Uruguay for hosting this meeting and for the gracious hospitality they have accorded us. My heartfelt congratulations go to you, Minister Enrique Iglesias, for your election to the chairmanship of this most important meeting. I know I speak for all of us here when I say that we will benefit immensely from your able leadership, just as we have benefited from H.E. President Sanguinetti's speech today. His vision and words of encouragement have given us the inspiration we need to tackle the challenges ahead.

We have gathered here at Punta del Este for the purpose of stemming protectionism and liberalizing world trade. This gathering is, I think, the most critical GATT Ministerial meeting we have had since the creation of GATT in the late 1940s. The outcome of this New Round of multilateral trade negotiations will have an enormous impact on the general well-being not only of this generation but also of future generations. Therefore, what happens at this Ministerial meeting will be carefully weighed in the balance of history.

We meet in most difficult times. The future of the world economy hinges in part on the success or failure of our efforts to reverse protectionism and to strengthen the free trade system by reaching a consensus on launching the New Round of trade negotiations. If we fail in this task, we can be sure that world opinion will hold us duly accountable.

We have before us three proposed drafts of the Ministerial Declaration. In the view of my delegation, the draft sponsored jointly by Switzerland and Colombia offers the most promising basis for discussions on the Declaration since it is the most comprehensive and reflects the interests of nations gathered here in the most balanced manner.

Please permit me to highlight a number of areas where the Korean delegation attaches a great deal of importance.

First, we must have credible and enforceable standstill and rollback commitments. These commitments are an integral part of the New Round of negotiations. The implementation of these commitments will not only ensure the widest possible participation of countries in the New Round more than any other single factor, it will also improve the climate for the

negotiations, first by inspiring confidence in the Round, and second, by yielding concrete benefits to participating countries in the form of increased opportunities for trade.

In the past, commitments to standstill and rollback met with little success, largely because institutional means to enforce them were lacking. To ensure success this time around, we believe that effective surveillance mechanisms must be provided for.

Second, Korea advocates discussing both old and new issues because we believe that the subject matter of negotiations should reflect the major interests of all participants.

The importance of resolving old issues is clear: trade in goods constitutes the bulk of world trade, yet these crucial issues have been left unresolved from previous rounds. In this regard, we attach great importance to tighter safeguard disciplines, the elimination of non-tariff measures, and the strengthening of dispute settlement procedures.

As for new issues, consensus has yet to be reached on whether or not such issues as trade in services, trade-related investment, and intellectual property rights should be discussed in the New Round. In our view, trading nations should recognize that the world economy is constantly evolving and that the trading system needs to be more responsive to this change.

The interests and concerns of developing countries should, of course, be fully reflected in the process of adapting our trading system to meet new challenges. Discussions on trade in services, for example, should also cover those service industries of particular importance to developing countries.

Third and last, we need to strengthen the functioning of the GATT system. Two measures, in particular, would take us far along the road to achieving this objective. One is to establish a permanent surveillance body in the GATT to monitor the trade policies and practices of GATT CONTRACTING PARTIES. The other is for Ministers to become more involved in the decision-making process of GATT by meeting periodically on a regular basis.

A meaningful Ministerial Declaration is necessary but not sufficient for successful negotiations. In order for the New Round to succeed, we need to fundamentally rethink some of our current attitudes and approaches to trade issues. We must abandon our fear of the costs of the economic interdependence that the expansion of trade entails. We need to abandon the short-term view of the costs and benefits of trade liberalization in favour of the long-term perspectives. Myopic approaches to trade problems are bound to cause more serious problems in the long run.

These beliefs underlie the unilateral reforms Korea has undertaken in the last five years to open up its market and to liberalize restrictions on foreign investment. These reforms have met with considerable resistance at home. Despite such resistance, the Government has stood firm in its faith and commitment to freer trade. We know that in spite of the painful adjustments we are obliged to make, liberalization in the longer run will make our economy stronger and richer. And, by opening our markets, we are doing our part to help invigorate the multilateral trading system that has contributed so much to our development over the last twenty-five years.

Above all, in order for the New Round of trade negotiations to succeed, we need to match our political will with concrete actions to carry through our commitments.

The international trading community today has a vital stake in reversing protectionism and strengthening the GATT system. The cost of inaction is very high for all of us. Therefore, we should take a giant step forward here at Punta del Este. We must all accommodate one another to achieve the successful launching of the New Round. For our part, the Korean Government stands ready to do its utmost. By launching the New Round, we will be launching a new era of economic growth and prosperity.