

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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FINLAND: STATEMENT BY H.E. MR. JERMI LAINEN, MINISTER OF FOREIGN TRADE,
AT THE MEETING OF THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL,
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

Let me first join my colleagues, who have congratulated you upon your election to the Chair. You can count on the unreserved support of my delegation in your efforts to bring this meeting to the result we are all seeking, to the successful launching of which is already known as the Uruguay Round.

The reasons behind the initiative to launch a New Round of multilateral trade negotiations are manifold, and each delegation evidently has its own priorities in mind.

Yet it seems to me that there is one basic concern, which we all share. That is the recognition of the imminent risks to the world economy, entailed in the strong protectionist tendencies, particularly within and among the major trading nations. It has become obvious that a negligent "wait and see" attitude is not equal to the maintenance of the status quo in international trade.

The obvious alternative resulting from a failure to launch a New Round is a rapid and unavoidable decline towards increasing protectionism. Such a prospect would of course be most detrimental to the harmonious development of international trade and sustained economic growth, particularly affecting developing countries and small, open economies, highly depend on foreign trade, like Finland.

Against this background my Government feels that a new opening towards strengthening the GATT and making progress in trade liberalization is indeed necessary.

It is of vital importance that all parties could be convinced of concrete and balanced benefits to be derived from a more liberal trading atmosphere. The credibility and continued vitality of the GATT system clearly calls for a new MTN Round, not only in order to halt protectionism but also in order to meet the new challenges of an evolving world economy.

In order to create a firm and credible basis for a new MTN Round the fundamental corner-stone is a strong standstill commitment. It is of course a basic responsibility of all contracting parties to refrain from measures inconsistent with the General Agreement at any time, be there ongoing negotiations or not. But this obligation becomes even more essential when we are launching the New Round.

At the same time it would be of utmost importance to the atmosphere of the negotiations that all parties to the Round take a responsible attitude with respect to their actions outside the specific GATT régime. These actions have undermined the credibility of the GATT system more often than breaches of particular rules of GATT.

We recognize that the present crisis in international agricultural trade calls for multilateral as well as national measures aimed at removing the present imbalances.

That is why we regard agriculture as one of the key issues of the New Round, obviously more so than in previous MTNs. The importance of this area is combined with its undeniable complexity. For most countries agriculture is a special and politically sensitive sector, which must be approached in the light of its specific characteristics. The negotiations on trade in agriculture touch the areas of national agricultural policy and food security, and have implications far beyond them. These issues are of vital interest to every nation.

A realistic approach, observing specific national features, is therefore needed in this area. My Government is, for its part, willing to enter the negotiations on agriculture with a view to improving the functioning of international trade in agriculture and remedying its problems. We are prepared to contribute to a balanced result on the basis of reciprocity and joint responsibility.

Turning now to the more specific problems of the manufacturing industry, I would like to pick one item, which has turned to a growing concern for my Government. This is the subsidization of various branches of the manufacturing industry. We had expected that the outcome of the Tokyo Round would have at least gradually been a reduction of such subsidies. This has evidently not been the case.

If sound progress in trade liberalization is to be achieved, I cannot but emphasize that substantive results in this field should be among the objectives of the New Round.

My Government has consistently in various fora held the view that there is a continued need for special and differential treatment for developing

countries, particularly for the least-developed among them. This need is certainly valid with respect to the New Round we are about to launch here.

We support the inclusion of the so-called new areas: services, intellectual property and trade-related investment issues in the Round on the basis of an open and progressive attitude: we do not want to exclude substantive items of evidently major economic significance from the scope of the negotiations, as their inclusion is considered vital by several contracting parties.

Without at this stage committing ourselves to any particular prospect regarding the outcome of the negotiations, we welcome the opportunity of addressing these new issues in the course of the New Round.

The delegation of Finland has actively participated in the work undertaken in order to find an acceptable basis for our deliberations at this meeting. The efforts undertaken have resulted in the proposal contained in document W/47/Rev.2, which in my opinion represents a realistic compromise on the most important substantive issues in question. Since it is a compromise, it evidently does not meet all our expectations, and we could actually share certain concerns expressed by other speakers preceding me. Yet I would prefer to refrain from introducing such elements of discord to our deliberations here.