

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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ITALY: STATEMENT BY MR. S. FORMICA, MINISTER FOR FOREIGN TRADE,  
AT THE MEETING OF THE GATT CONTRACTING PARTIES  
AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,  
PUNTA DEL ESTE, URUGUAY

On behalf of the Italian Government I wish to extend a warm and friendly greeting to the representatives of all the countries attending this Conference, which focuses on the problems of international trade, whose solutions must be sought in a spirit of co-operation and on the basis of equal dignity.

My warmest greetings to the people and the Government of Uruguay, a country which has struggled its way back to democracy and has welcomed us wholeheartedly.

I take this opportunity to remind the deep-rooted friendship that links Uruguay and Italy and the common heritage we share.

I am addressing myself to all of you and to the nations you represent. Our interests, though differing at times, can be reconciled if, as I sincerely hope, a spirit of solidarity prevails in this Conference.

This Conference is called upon to decide on the future of the international trading system. Many problems are to be faced. A number of disturbing signs have arisen our worries. We are mainly concerned that we might miss this unique opportunity to confirm the validity of the multilateral trading system and to strengthen the rôle of GATT.

The Italian Government is committed to opposing protectionist trends. We deem that the GATT system is the most effective political answer to the defensive reactions often induced by economic stagnation, as well as to the temptation to resort to bilateralism in economic relations.

We expect that this Conference could help to highlight the negative aspects of the practices impeding the development of trade relations and, most of all, placing the less favoured countries at a disadvantage. The more so, if a framework of stable agreed upon rules is lacking.

We are approaching this undoubtedly difficult negotiation in a spirit of good will, tenacity and constructiveness. It is our intention, therefore, to express our positions with great frankness, as we think that a clear language is in the interest of all. Italy remains firmly opposed to protectionism since it is convinced that the development of world economy and the consequent impact on the living conditions of our peoples cannot be attained outside the multilateral system. This is the only way to an effective and real opening of the international markets.

Amongst the problems under discussion in this Round some are of particular importance. First of all, there is the question of the standstill, i.e., the moratorium in the application of new restrictive measures in their various possible forms, that are incompatible with the spirit of GATT. Secondly, I must add that we would be disappointed if we failed to come to grips with the interplay between the commercial questions on the one hand, and the monetary and financial ones on the other. In this respect, we are witnessing a certain progress, though limited, in international co-operation, also as a result of the arrangements reached at the Tokyo Summit last spring.

We notice that a degree of reluctance on the part of some of the financially strongest countries still remains. This, in turn, is delaying the international spreading of economic recovery. As a result, important social issues are still without a solution. Amongst them I will single out unemployment and the indebtedness of the developing countries. An answer to the problem of the symmetrical adjustment of disequilibria in the balances of payments must also be found, in order to accelerate generalised economic expansion.

Italy is in favour of making a joint effort vis-a-vis the countries that most need our support. This requires greater responsibility not only on the part of long standing industrialized countries but also on the part of those which have already made significant steps in that direction.

We feel that the less favoured countries must derive from the negotiations better chances for development through their exports. This entails from all of us a readiness to make a decisive effort, in this coming round, towards the developing world through appropriate concessions.

In the various countries there are production sectors which play a crucial rôle both from the economic and the social point of view. The new round must take their special characters into account, striking the right balance between the aim of a wider liberalization and the need to secure a reasonable degree of safeguard to those very sectors.

To this effect, as far as agriculture is concerned, we have to pay due regard to its special conditions. It will be necessary, however, to pursue more balanced policies with a view to avoiding the growing of tensions amongst the various countries. Italy, though acting within the framework of the European Community and abiding by its rules, holds her own views and intends to pursue them autonomously in the EEC fora. In particular, Italy is committed to finding an answer, generalized, concerted and defined according to a given time-table, to the problem of overproduction and stocks. This answer shall be in conformity with the fundamental principles of the agricultural policies of the contracting parties.

Italy has stressed that each specific sector of services has to be assessed on its own merits avoiding generalization and moving step by step.

We deem it necessary to follow the road of a "reasonable degree of protection" such as to offer new guarantees comparable to those which customs tariffs have traditionally provided in the area of goods.

At last, in dealing with trade issues I would like to underline the importance of taking into account the needs of workers that are amongst the most important contributors to this process.

Summing up, on behalf of Italy, I wish to recall the principle of solidarity which requires a balance between rights and obligations for each country: keeping trade unbalances on a permanent basis has the effect of unleashing restrictive reactions from other trading partners.

GATT is an agreement which Italy is firmly committed to. We hope to see its influence widened, and we look with a constructive attitude at new developments making their way tentatively in the international arena. Such an approach should also be adopted in dealing with problems related to the enlargement of GATT.