

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ICELAND: STATEMENT AT THE MEETING OF THE GATT CONTRACTING PARTIES
AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,
PUNTA DEL ESTE, URUGUAY

Let me start by joining other speakers in thanking the Government of Uruguay for inviting this meeting to Punta del Este and for the warm and generous hospitality extended to us.

We come to this meeting in an environment which in many respects differs widely from that which prevailed in previous rounds. We are now facing a rapid erosion of the open multilateral trading system which, for most of the forty years of its existence has served as the basis for a steady increase in world trade, based on the concept of comparative advantage, thus contributing greatly to the rise in the standard of living in most countries participating in this system.

The more recent developments in international trade are only too well known to all of us. Tendencies towards protectionism and bilateralism are now seriously threatening the whole system and the situation is still growing worse.

We have to acknowledge that the Ministerial Declaration of 1982 and the efforts to implement the provisions of that Declaration have failed to remedy the situation. In the view of my Government the main reason for this failure lies in the fact that we took a piecemeal approach in trying to solve the various issues. Each sector was treated separately without giving scope for the necessary overall balance between widely ranging national interests. In the meantime Rome continued to burn.

Now the time has come to face up to realities. As many speakers have pointed out before me, the choice is not between a status quo or a new round of comprehensive negotiations. The choice is between a strengthened and improved open multilateral trading system or may be the end of that very system.

The sad experience of the non-implementation of the 1982 Ministerial Declaration has shown us that a new round must be comprehensive and give every participant a fair opportunity to obtain a satisfactory balance of rights and obligations while at the same time taking duly into account the special needs of the less developed countries.

The largest trading partners have sufficient power to take care of their national interests even in the absence of a multilateral trading system based on the General Agreement. The smaller and weaker countries do

not have any of such power. For a country like mine the choice is therefore obvious. A new round must be launched and there is no time to lose.

The preparatory process, leading up to this meeting, has brought it home to us that not only has the changing trading environment made it desirable to broaden the coverage of the system but also that only by doing so will it be possible to start a meaningful new round.

Iceland has participated actively in the negotiations among a great number of contracting parties which led to the draft declaration contained in document W/47/Rev.2. We are no more than other delegations participating in that work, fully satisfied with all the language contained therein.

We realize, however, that this is a carefully balanced document which tries to strike a balance between widely varying points of view. The opening up of one issue would immediately call for changes in other parts of the document and thus put the whole draft text in jeopardy. We, therefore, strongly recommend that the text of W/47/Rev.2 be taken as the basis for a Ministerial declaration launching the Uruguay Round and that as little changes as possible be made in this text apart from lifting the existing brackets. We must, however, realize that a declaration is just the beginning. The real test of the seriousness of the contracting parties comes in the negotiations which are to follow.