

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
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KOREA

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It is with great pleasure that we are gathered again at this Forty-Second Session of the CONTRACTING PARTIES following the successful conclusion of the Ministerial meeting held in Punta del Este.

My delegation highly values the results achieved at the Ministerial meeting, and hopes that this Session of the CONTRACTING PARTIES will give a further impetus to our historic tasks of the Uruguay Round.

The official launching of the Uruguay Round was the result of concerted efforts made by all the contracting parties to restore and revitalize the multilateral trading system under increasing protectionist pressures. This certainly marks another milestone in the history of GATT.

We have made a good start in Punta del Este, but we have a long way to go to accomplish our goals. We have to overcome many difficulties ahead of us in proceeding with substantive negotiations.

This meeting is taking place at a time when the world economic outlook still remains uncertain. The recent economic recovery in the industrialized countries from the prolonged recession is losing momentum and its long-awaited trickle-down benefits to the developing countries are yet to be seen.

The deteriorating economic situation of the developing countries has been aggravated by plunging price levels of nearly all primary commodities, which has led to a drastic drop in real export earnings and thereby has exacerbated serious external debt problems.

We must admit that a considerable number of developing countries are still sceptical of the real need for new multilateral trade negotiations, and their concerns about the possible adverse impact on their economies still exist. Therefore, more positive efforts to dissipate these concerns will have to be exerted by the developed countries because wider participation of developing countries in the Uruguay Round is essential to ensure its success.

In this connection, the GATT Work Programme, which is of great interest to developing countries, must be vigorously undertaken in the course of the Uruguay Round of negotiations.

The question of the so-called grey-area measures such as VERs and OMAs, which obviously deviate from the GATT principle of non-discrimination, should be given high priority in the negotiations.

Unless our efforts to reach a comprehensive agreement on safeguards on the basis of m.f.n. principles are successful, illegal protectionist measures will continue to plague the international trading system.

And as regards the new area of trade in services, my delegation has a firm belief that negotiations in this area, as in other areas, should be carried out in a most transparent manner.

Given our inexperience in this area and the complex nature of the subject, thorough study of definition, coverage, procedure and modality of negotiations should be made before we enter into the principal stage of negotiations.

It is also the view of my delegation that special circumstances in the economies of developing countries should be sufficiently taken into consideration and particular concerns of interest to them must be fully reflected in the process of negotiations on this area.

It was high-level aspiration for the improvement of the world trade environment that led the Ministers at Punta del Este to make commitments to standstill and rollback of trade restrictive or distortive measures.

These commitments must be backed up by the early establishment of an effective surveillance mechanism. Especially, elaboration of detailed plans for implementation of rollback commitments should also be started.

We have been faced with frequent invocation of the safeguards clause, increasing trends of bilateralism and regionalism in the form of proliferated customs unions and free trade arrangements, and growing abuse of anti-dumping and countervailing measures.

It is a matter of regret that, even after the launching of the Uruguay Round, a number of countries which have a far greater rôle to play in world trade liberalization, resort to market restrictive measures.

The Republic of Korea, in spite of its many difficulties as a developing country, has continued its utmost efforts to open its market through the faithful implementation of action programmes for import liberalization. By 1988, almost all manufactured goods will be free of import restrictions.

The Republic of Korea will continue to play a constructive rôle for the successful completion of the Uruguay Round in the firm belief that strengthening of the multilateral trading system based on the GATT would be the best way to halt protectionism and thereby bring substantial benefits to all contracting parties.