

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## NORDIC COUNTRIES

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I am speaking on behalf of the four Nordic countries: Finland, Iceland, Norway and Sweden.

We can look back at a year of unusually important GATT activities. The new GATT round that we have fought for so hard, is at last under way. The Ministerial meeting in Punta del Este resulted in the successful launching of the Uruguay Round. The fact that it was possible to reach a consensus decision that reconciled differing views on how GATT should tackle key issues such as services and agriculture, gives the Punta del Este Declaration a particular dimension. The Declaration should be seen as a strong manifestation of support for the open multilateral trading system and of a willingness to further strengthen the system and the GATT as an institution, not least to meet the challenges of a new world trading environment.

It was widely felt that a new round had to be initiated in order to stem the tide of protectionism. This is true but not enough, unfortunately. It is now that the CONTRACTING PARTIES face the real challenge to put into effect the undertakings that our Ministers made at Punta del Este.

We have a common responsibility to live up to this challenge. To maintain the confidence in the Uruguay Round, it is crucial that the negotiating process is set in motion without delay and that the deadlines of the Ministerial Declaration, e.g., for establishing negotiating plans, are met. The credibility of the Uruguay Round and its participants, i.e., ourselves, is at stake.

In this regard the undertakings on standstill and rollback are particularly relevant. Certain recent developments in the trade policy field give rise to concern and point to the need to ensure a strict adherence to these undertakings, including the rapid establishment of an effective surveillance mechanism. (As the Nordic countries have stated in the GNG, we favour an independent surveillance body that would report directly to the TNC but also keep the GNG informed. Organizing the surveillance in such a manner would in our view be an appropriate way to reflect the political character of the standstill and rollback commitments.) When the surveillance mechanisms in the Round have been decided upon and some experience gained from their functioning, it will

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be appropriate to consider possible institutional implications for the normal GATT machinery so as to avoid unnecessary overlapping of work. In the view of the Nordic countries it is essential that the overall surveillance continue to encompass all measures that affect the operation of the GATT.

Some progress has been made towards organizing the round, although less than we had reason to hope for in light of the co-operative spirit during the negotiations at Punta del Este. While not wishing to over-dramatize the situation, it is important that we do not get bogged down in the organizational phase of the Uruguay Round. The Director-General and the GATT secretariat deserve recognition for taking a constructive lead in this work. There is a preliminary agreement on the main elements of a reasonable structure of negotiating groups, and the level of ambition generally envisaged for the negotiating plans seems realistic. Further details of the respective plans could best be worked out by the individual negotiating groups themselves. What is important now is to agree on initial concrete work in order not to lose momentum. It is obvious that on certain issues, an analytical or explanatory phase is necessary before actual negotiations can start. In other areas, however, the factual basis is much more advanced, and substantive negotiations can be started without much delay.

The Uruguay Round is likely to be the most ambitious and complex round of trade negotiations in GATT history. It will put severe strains on the resources of the GATT secretariat as well as on individual delegations, not least the smaller countries. Many developing countries are likely to face particular problems in this regard. We are confident, however, that with the help of the technical co-operation services of the GATT secretariat, their burdens can be lightened. We also expect that the Committee on Trade and Development, as it did during the Tokyo Round, will play a constructive rôle in exchanging views on issues of particular interest to the developing countries in the negotiations.

In conclusion, I should like to stress that the prospects for successful negotiations will depend on the general trade policy climate. It is therefore of paramount importance that all countries refrain from taking any trade restrictions, including grey-area measures, that will undermine the letter and the spirit of the 1986 Ministerial Declaration. This is a joint responsibility, but for obvious reasons the major trading nations have particular responsibilities to ensure that the Uruguay Round now goes from words to deeds and puts an effective brake on protectionism.