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Statement by H.E. Mr. Oswaldo De Rivero, Ambassador, Permanent Representative

A few weeks ago, we would have thought that today's session would be an occasion for self-congratulations on the results obtained at the Brussels Ministerial Meeting.

This is regrettably not the case, and we now have to take stock of the situation: this exercise should help to guide our reflection on the future of the trade negotiations.

First of all, I think it is relevant to highlight the great variety and complexity of the subjects covered by the Uruguay Round, as well as the large number of actors participating in or influencing the negotiations; this is not conducive to rapid results.

We sought, most ambitiously, to cover virtually all trade-related issues. At the same time, in all these areas we wanted substantive progress which would benefit each and every one of the trade partners participating in the negotiations. This is, without a doubt, by no means the case in the present circumstances.

I should also like to say that notwithstanding the variety and complexity of the subjects covered to which I referred a moment ago, in the final stages of the Uruguay Round negotiations, immediately before and during the Brussels meeting, the negotiations became a one-dimensional exercise focusing solely on one issue.

The exclusive "agriculturalization" of the Round reflects the lack of attention to a number of subjects of special interest to the developing world, such as natural resources, market access issues, textiles or tropical products.

We recognize the capital importance of agriculture and the desirability of reaching an agreement that provides for suitable liberalization, as well as special treatment for developing countries, but I consider that we should broaden our outlook, so as to avoid other subjects, on which progress can be made, becoming hostage to the situation in agriculture.

Furthermore, the lack of progress in the Round cannot be blamed on the developing countries; on the contrary, not only have they shown their constructive spirit through the many negotiating proposals they have submitted, but also, where their interests have not been suitably reflected, they have not sought to block the negotiations but rather have been concerned to overcome problems through frank and open negotiations.

We are in the midst of a major process of transformation of international structures in the political field. We are witnessing the end of the Cold War and the tearing down of all the ideological and political barriers and the end of the confrontation between East and West. To reach this important level of understanding, we first had to live through more than forty years of tension.

In the case of the globalization and interdependence of world trade, however, we have sought to arrive at equally radical results in only four years. This is unrealistic. The political will to progress towards liberalization exists; but we must not force the results.

We must not dramatize the Brussels failure, nor mythify the Uruguay Round by believing that if it does not have a positive outcome the world economy will be plunged into an apocalyptical situation. The liberalization of trade is important; it is a factor for growth of the world economy. It is not the sole factor, however. The world economy has grown over the last ten years also owing to international credit and investment flows, and despite floating exchange rates and a certain degree of protectionism; to think that the latter is the sole factor causing a recession is to oversimplify matters. Monetary and financial problems, floating exchange rates, debt, financial speculation on stock markets, interest rates, investment and the daily operations of transnational companies, which are the real actors in the world economy are equally important, or even more so.

There will not be a trade war; the world of business is more complex, global and inter-dependent. Let us continue our search for a less ambitious, but more symmetrical, more balanced and more transparent compromise, and conclude the Round in February.