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CZECH REPUBLIC

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It is a happy coincidence that thirteen months ago I personally had the privilege to declare, on behalf of my government, the readiness of the Czech Republic to assume all GATT obligations of the former Czech and Slovak Federal Republic (ČSFR) on the territory of the Czech Republic and the strong wish to become a contracting party. Thanks to the high level of commitments of the former ČSFR and the comprehension of the CONTRACTING PARTIES, we and our friends from Slovakia are now well placed in the GATT family.

The conclusion of the Uruguay Round is a real triumph for the multilateral trading system. Securing agreement among so many countries on such a number of complex issues frequently seemed an insuperable challenge in the past seven years. To have done it at a time of sluggish growth, political uncertainties and protectionist pressures is a remarkable achievement.

We believe that every participant will benefit from the Round. Fairer trading rules and better market access will help, inter alia, countries in the process of economic reform which have liberalized their trade régimes to stimulate export-led growth. These countries need secure market access and a stable and comprehensive international framework of rules to sustain their reform programmes.

As a country in transition which not only depends on the free flow of goods and services but which is taking difficult steps towards restructuring its economy, the Czech Republic has much to gain from a strengthened multilateral trading system and is fully aware of the importance of the very extensive and far reaching Uruguay Round results.

The original vision of a broad expansion of international trade law is now much closer to fulfilment. All this is not to say that a world of perfectly liberal trade is at hand. Some uncertainties remain concerning the trade policies of some countries and the emerging new trade issues, from competition policy to the environment, which will offer ample potential for disputes in the future.

In our view, today's gains must be translated into tomorrow's lasting trade framework to cover the environment, competition and social policy including low wage labour and exchange rate movements.

The reports of the Council and the Committees testify both to the essential rôle that GATT has played in the operation of the multilateral trading system and to the strains on that system resulting from sluggish growth and protectionist pressures. Undoubtedly, the Council has increasingly assumed a more significant rôle in a number of areas of responsibility.

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In general, the MTN Codes have worked satisfactorily. However, we are concerned about the conformity of the practices of certain signatories with the objectives and principles of the Codes. The question of conformity on national legislation also deserves attention.

The Czech Republic has been preoccupied by certain tendencies to exploit legitimate trade policy instruments to harass foreign competitors and divert trade flows, unduly blaming imports for primarily domestic problems, and hopes that such tendencies will be discontinued.

Last year, we have witnessed also in the Council's activities the continuation of the trend towards the establishment of free-trade areas and regional trading arrangements. We believe that regionalism and multilateralism are not mutually exclusive alternatives. As we have duly notified, the Czech Republic and the Slovak Republic, after the dissolution of the former ČSFR, established a customs union with the aim of maintaining the free movement of goods and services and the integration of their economies. The operation of this customs union has proved to be beneficial for both parties and has provided also favourable conditions for trade with third countries.

Last year we have seen great activity related to accessions and observerships. This development, and the possible integration of further countries in the ambit of the multilateral trading system, is a positive phenomenon which can strengthen the system if these countries abide by GATT's rules and principles and adopt policies aimed at developing fair trade. This suggests that the accession of new countries to GATT should be encouraged and that individual requests for accession be given fair treatment, keeping in mind the shared purpose of the reinforcement of the multilateral trading system.

The first year of the existence of the Czech Republic was successful for the Czech economy and trade. The basic aims of the Czech economic reforms have been basically accomplished and ambitious privatization programmes were launched together with changes to the legal framework of the Czech Republic.

Investment activity reemerged and exports have increased by 18 per cent in 1993. Also, a remarkable shift in the geographic structure of exports has occurred. In 1993, market economies took around 80 per cent of Czech exports.

In conclusion, on behalf of the Government of the Czech Republic, I would like to take this opportunity to express, once again, our thanks to the CONTRACTING PARTIES for facilitating the Czech Republic's efforts in becoming a contracting party. The Czech Republic and the earlier Czechoslovakia supported the GATT from the very start of its life and shares the general feeling of happiness expressed by many at the successful conclusion of the Uruguay Round. My country will bring its support to the World Trade Organization, hoping to achieve fairer trade within the framework of the multilateral trading system.