

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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ARGENTINA

Statement by H.E. Mr. Juan Carlos Sanchez Arnau
Ambassador, Permanent Representative

I should like first of all to let you know that yesterday the Argentine Senate adopted the ratification of the Uruguay Round Agreements, so that all remains is ratification by the Lower Chamber of the Argentine Congress.

In a few days time, the GATT of 1947 will be replaced by the World Trade Organization. During its 47 years of existence, we have learned the advantage of having a transparent and relatively balanced multilateral system of trade disciplines. We have also experienced the drawbacks and loopholes of the system, which led to the use of unilateral measures instead of the appropriate application of the rules for the defence of competition, and made clear the shortcomings of the old dispute settlement system.

Furthermore, these rules did not cover, or only partly covered, some sectors of economic activity such as agriculture, textiles, services, intellectual property of the environment, which tend to be among the sectors with the most pressing problems as well as being in some cases the most dynamic areas of modern trade. In other words, almost all the problems covered by the spectrum of new disciplines agreed in the Uruguay Round.

We hope that the implementation of the Agreements of this Round will be a comprehensive response to all or most of these problems. The continuation of our work in some of these disciplines, such as the relationship between trade and the environment, appears helpful and today we believe that it may lead us gradually to perfect the multilateral system.

In addition, and despite the serious difficulties we encountered during the preparatory stage of the future work of the WTO in certain areas, we wish to believe that in the new stage we will take up with the same political enthusiasm the implementation of the agreements on intellectual property or services as for agriculture or textiles. In this connection I wish to endorse the words of the Head of the Delegation of Canada concerning the need to deepen the disciplines on agriculture, beginning with the complete elimination of export subsidies. We are ready to work towards that end.

We believe that the multilateral trading system is not a trap for any country, as some fashionable theories would have us believe, but rather a form of commercial coexistence in which we should all be the winners, beyond the mercantilist criterion by which we normally measure concessions and offers. Nevertheless, to avoid this risk the future members of our organization should exercise their rights, trying to apply both the letter and the spirit of the rules. For example, it does not seem right to us that whenever a panel establishes the incompatibility of a quantitative measure or some aspect of national treatment, the automatic reflex of governments is to renegotiate the concession of the sector concerned under Article XXVIII, rather than modifying the incompatible measure. Such measures, while remaining

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legal and in some cases necessary, such as some of those discussed at this meeting, are thus kept within the sphere of multilateral disciplines, but not by pursuing their objectives but rather by coming within their exceptions.

We also consider that recourse to Article XIX should not become a method of reaching a settlement, as seems borne out by one of the cases we dealt with at recent Council meetings. We have already made the point that the multilateral trading system should be governed by its rules and not by its exceptions.

At the same time, we think it is worth resorting to dialogue and negotiation as a response to the problems we face here. In 1994 we had the proof that GATT provides an appropriate framework for finding answers to concrete problems, as occurred in the cases we referred to the GATT Council concerning fruit.

Finally, we hope that the transition from the GATT to the WTO will be orderly and that the rules we have just drawn up to avoid legal loopholes will be applied with the same political resolve as we displayed when accepting them, so that they will serve to resolve the problems and not create new ones.

Today we bid farewell to the GATT with full honours, as befits an institution which for 47 years made it possible to maintain and expand the multilateral trading system. We also salute it for having been capable of bowing out from the international scene while leaving an heir, the World Trade Organization, which we are sure has all the necessary institutional and political means to go far beyond the bounds of our own ambitions when founding it.