

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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ITALY

Statement by Mr. Paolo Baratta
Minister of Foreign Trade

May I first of all express my gratitude to the King of Morocco, His Majesty King Hassan II, for the opportunity we were offered to meet in a great country, with which Italy entertains friendly and cooperative relations.

We are here today to celebrate together the positive conclusion of the longest multilateral trade negotiation in the 47 years of the GATT era.

We are all conscious that we are taking part in a great event, where fundamental acts are accomplished at the very time in which history calls for them.

Let me recall that the final impulse towards the positive conclusion of the negotiations came during 1993, a year which marked the peak of a prolonged widespread economic stagnation in many parts of the globe.

1993 saw rates of unemployment unexperienced in past decades.

It will be remembered as a politically outstanding achievement that governments resisted the temptations of protectionism and were able to express responsibility and leadership.

In those circumstances priority was given to accelerate a negotiation aimed at opening of markets and at further improvements in the rules of world trade, both once again recognized as the sole conditions from which the world economy can be given new perspectives of development.

The Uruguay Round Agreement is characterized by the full involvement for the first time of the developing countries in the negotiations.

The agreement becomes indeed a general and global agreement and gives full recognition to the great changes which have occurred and which are still occurring in the economic geography.

The promotion of trade becomes an integral part of the promotion of economic development.

This implies that the most industrialized countries recognize that the new competition from developing countries may evolve from just a threat to employment into a full fledged opportunity for their economies.

This implies also the recognition by developing countries that in order to keep sustained growth and the necessary high level of exports, a reciprocal opening of the markets and the acceptance of common rules are imperative.

GATT SECRETARIAT

Let me just recall the main results, namely those reached in access to the market, the extension of new rules to agriculture, services, intellectual property, the progressive integration into the multilateral trade system of trade in textiles, and the improvement of rules in many sensitive areas.

All the results obtained are crowned by the most important innovation. A significant shift of sovereignty with the adoption of a new common multilateral system for the settlement of disputes based on agreed and binding procedures, and the establishment of the World Trade Organization.

Italy and the other members of the European Union have always considered these as necessary achievements, required by the unprecedented latitudes of the negotiations and by the growing complexity of the issues involved, which by their very nature entail continuing improvement.

Moreover, full adhesion to so many new binding rules by so many participants, requires that each of them be in a par condition any time a dispute arises.

Why this choice, we reaffirm our trust in a multilateral trade policy, its superiority must now be confirmed by the capabilities of the new institutions to tackle the tasks which will be entrusted upon them.

The common and primary interest must be to provide the WTO with clear targets, scope, functions, and adequate instruments.

Many issues still unresolved are on the table and we have to bring to a conclusion in the short term all the negotiations already under way regarding many fields, such as financial services, steel, telecommunications, civil aircraft, and maritime transport.

We also strongly support the creation of a committee on trade and environment and we are ready to address the issue immediately after the signature of the Final Act, in the Preparatory Committee.

But, first and foremost, we must give special care towards ensuring that all commitments undertaken by all participating countries be honoured and to this end it is crucial that the disputes settlement system and its procedures will prove to be correct and efficient.

In establishing the WTO we must remember that we do not expect the passive role of a court of law, but also an active role in progressive improvements of rules, in the matters covered by the agreement.

Beyond this, there is room for improvement in other fields to the benefit of the development of trade and investment.

I am referring to major fields which unquestionably fall within the scope and functions foreseen for the WTO.

Let me mention two of these.

First, the non-tariff barriers issue.

Some specific very important regulations regarding instruments which may be utilized as obstacles to trade are already covered by the agreement. In the future this may not be enough.

We should consider the opportunity of widening the purposes of the Trade Policy Review Mechanism through deeper analyses of the various hidden obstacles which could be identified in different countries.

Second, the trade and commercial law issue.

Also from recent experience we can infer that inadequate or incompatible legal disciplines can act as significant obstacles to trade and investment activities.

The WTO could become the forum for analysis, proposals and eventual negotiations of possible multilateral commitments aimed at the improvement of national legislation in the field of ownership, company law and commercial law, at least in their relation to trade.

This might be as relevant as are possible developments in the issue of trade and competition.

The WTO will be characterized by a high level of institutional completeness, with rules but also with sanctions, which by their nature are very effective.

This brings about an unavoidable temptation to attract into its orbit many issues, some of which are entrusted to other international organizations, and to give the WTO an ever growing role.

Indeed, many indirect connections between trade and substantial aspects of economic and social life to which we attach the greatest importance could be established.

Caution is necessary. We must avoid overloading the ship before its launching.

Common wisdom suggests to us that those connections cannot be ignored.

We cannot forgo the implications of such practises as child exploitation, forced labour, denial to workers of free speech or freedom of association.

In these delicate matters it will be in our capability to strike the right balance. In order not to allow room for acts of bilateralism and not to give way to acts of protectionism.

A few decades ago, in a very crucial moment of its economic development, Italy made a highly engaging but far-sighted decision in favour of an open market, becoming a founding father of the European Economic Community.

Guided by the same principles and experience, we have given our contribution to the conclusion of the Uruguay Round and are committed, together with the European Union partners, to implement the agreements we shall sign tomorrow.