

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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UNITED KINGDOM

Statement by the Rt. Hon. Timothy Sainsbury
Minister of State for Trade and Industry

We are here to mark the conclusion of the Uruguay Round, the biggest, most liberalizing, trade agreement in history. The welcome we have received from His Majesty King Hassan II and the Moroccan Government has fully matched the importance of the occasion. We owe them our thanks for their splendid hospitality.

Something politicians can easily forget is that the making of so-called trade concessions is not a matter of one-sided sacrifices, but actually brings benefits to the country concerned. In the same way, the exchange of concessions is not a zero-sum game, but makes everyone better off. Experience shows that trade increases, which brings more choice for consumers, more income and more jobs - in other words, greater prosperity for all.

The Uruguay Round is a testament to the courage and skill of the world's trade negotiators, and to the strengths of the multilateral system. In difficult economic circumstances, there was a temptation to turn to protection. We can all be grateful that the negotiators recognized the benefits to all our economies of a more open world trading system. The creation of the World Trade Organization next year will create new opportunities to build on this system.

The United Kingdom has for many years actively promoted open trade. That is why we were one of the GATT's founder members, and why we look forward to being one of the founder members of the WTO. We are also asking our dependent territories and crown dependencies whether they would like us to seek WTO membership on their behalf.

But this is a time not just for congratulating ourselves on what has been achieved, but for looking forward to what still remains to be done. First, the agreements which we shall sign tomorrow must be ratified and implemented without delay.

Next, the unfinished business of the Uruguay Round must be completed: the Services Agreement in particular remains incomplete as long as some key sectors (particularly financial services) are not covered effectively. Negotiations on civil aircraft and steel must be brought rapidly to a conclusion.

Yet even before we have completed work on what were once seen as the "new trade issues", such as services, attention is already turning to the next generation of issues. Trade is increasingly interrelated with other areas of economic policy. It is right for the WTO to take account of this.

But in doing so the WTO should not lose sight of its roots as a trade organization. It should always approach the new issues from the perspective of trade. The emphasis must always be on keeping markets open and rejecting measures that restrict or distort trade.

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This principle is already well-understood as far as trade and environment is concerned. The United Kingdom fully supports the work programme agreed on this subject. It is also already looking hard at the question of trade and competition. For other issues, it is not yet so clear what role, if any, trade policy has to play. A number of ministers have spoken, on both sides of the argument, about labour standards. The United Kingdom is not convinced that the WTO and the international trading system is the right means of addressing these issues. Further analytical work in other international organizations is needed to define the issues.

The enhanced status and authority of the WTO will better enable it to carry out its central task, and the one that it alone among international organizations is qualified to perform - the progressive multilateral liberalization of world trade. Trade in goods - and increasingly services - will remain at the heart of WTO's role for the foreseeable future.

But, whilst protectionism may have been rejected, we should never forget that it can all too easily revive.

In this connection, the new and improved dispute settlement system is very important. But we should remember that it is there to settle trade disputes by redressing the balance of concessions, not to act as a court of law. All parties must be prepared to abide by its procedures and refrain from unilateral action in defiance of these. Like the GATT, the WTO ultimately relies, not on coercion, but on the willingness of its members to make it work.

The WTO must combine the best features of GATT - pragmatism, flexibility - with the advantages of its wider scope, more effective procedures, and higher international profile. It should also continue to expand its membership, to include all who are ready to take on the responsibilities of membership. By being a truly global trade organization, it will secure and build on the advantages of the open trading system for future generations throughout the world.