

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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CZECH REPUBLIC

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The Uruguay Round was an event of great magnitude and its successful completion is a cause for optimism and pride. The improved multilateral trading system, when it comes into effect, will undoubtedly have a significant impact on the international community in many ways which we may not be able to anticipate fully now. We welcome the overall outcome and will join others in accepting and adopting the results.

All throughout the seven-year negotiating period, Czechoslovakia, and in the last year the Czech Republic, participated actively in the negotiations and made a real contribution to the success of the Uruguay Round. Today, more than ever before, the Czech Republic believes in the multilateral trading system.

At the root of this confidence is our active process of the economic transformation from planned to market economy in which the Czech Republic achieved rather encouraging results. Opening of the Czech economy to foreign competition and liberalization of our foreign trade became an important part of transformation which will be further consolidated by the conclusion of the Uruguay Round.

The multilateral trade negotiations will have their positive impact on all of us. The most significant aspect of the Uruguay Round seems to be making multilateralism the binding choice for the future and putting the rules governing world trade on a firm footing through the establishment of a firm institutional framework.

The results achieved and the delicate balance we have reached require to be secured without any delay through proper implementation of what we agreed together. The concessions made and disciplines agreed must not be undermined by unilateral trade actions.

We are all aware that we have not reached the end of the road yet. We will be there only when all the participants have ratified the Uruguay Round package and when the commitments we have made to each other are faithfully carried over into domestic legislation and fully implemented. The Czech Republic is convinced that the Uruguay Round results should enter into force as early as possible, preferably by 1 January 1995, and will make every effort to complete its ratification process to meet that target date.

While a solid foundation for the future trading system has been laid, there will be much hard work to do in the coming period of transition to the new institutional framework, the WTO. Not only must we finalize negotiations on some service sectors, but we must also develop a work programme for the new WTO.

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Basically, such a programme should reflect each country's trade, development and environment needs and priorities in a balanced and equitable way, and should remain within the competence of the multilateral trading system. We endorse any prospects of launching work on the relationship between competition and trade. Addressing issues like restrictive business practices, anti-monopolistic standards and introducing relevant multilateral rules may strengthen the world economy through regulation of competition.

We attach importance to the full integration of the economies in transition into the multilateral trading system. Those countries need and will need better access to markets and fair application of trade and competition rules. The role of the multilateral trading system in this process should be made more effective and more visible.

Proposals are being made to add the issue of labour standards to the work load of the WTO. This question is a large and complex subject and the arguments for linking it with trade policies are in our view unpersuasive. Imposing minimum labour standards on low-cost exporters would do little to blunt their competitive advantage or relieve unemployment in the importing countries. Wages in less-developed countries will stay low as long as they remain poor and have labour surplus. Nor would labour standards deter multinational companies from shifting investment to less developed regions, since wages are typically a fraction of their overall production costs.

The belief that trade policy can secure humanitarian goals such as preventing forced labour and raising labour standards is also shaky. Real living and working standards in less-developed countries will rise only if their economic welfare is enhanced first. An effective way of attaining this goal is to allow these countries to benefit from unimpeded private capital flows into their economies and to export freely to the world markets. That requires the importing countries to keep trade barriers low and not to erect new ones.

Any solution to the problems in this area is a matter of the legal framework of each country and it should be discussed in other appropriate international fora. It is doubtful to search for it in the framework of the multilateral trade rules.

The Government of the Czech Republic cannot accept the pressures generating additional mandatory costs of our producers which may undermine their comparative advantages. Protectionism has lost a decisive battle but it seems to be looking for another field to gain a new foothold.

Allow me, in conclusion, to pay tribute to the efforts of Mr. Peter Sutherland, Director-General of GATT, of his predecessor Mr. Arthur Dunkel and of all the delegates who with such skill and intelligence moulded the outcome of the Uruguay Round. We owe a debt of appreciation to all of them. I should also like to express my gratitude to His Majesty King Hasan II for his contribution to the success of this Ministerial meeting and to his Government and the people of Morocco for their hospitality.