

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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NETHERLANDS

Statement by Mrs. Yvonne Van Rooy
Minister for Foreign Trade

After a journey of more than seven years along a long and winding road with many obstacles and dangers, we have finally reached our destination here in Marrakesh. Let me first pay tribute to his Majesty King Hassan II and the Moroccan people for their great hospitality and efforts to host this Conference. Secondly, I want to pay tribute to the two scouts and their "friends", who have guided us through often uncharted territories to our destination, Mr. Arthur Dunkel and Mr. Peter Sutherland.

The conclusion of the Uruguay Round by the signing of the Final Act and the WTO agreement is a historic achievement in international economic negotiations by any standard. We have gone beyond the goals set out in Punta del Este. The biggest market access deal ever resulting from this Round will yield more trade and more jobs. The economic stimulus through more open markets, fair competition and higher investments will benefit producers, consumers, traders and investors everywhere. It will also be instrumental in fighting the scourges of poverty and unemployment worldwide.

Maybe even more important than the short and medium term economic benefits will be the strengthened multilateral open trading system to which 125 participating countries will commit themselves. In the Uruguay Round we have remedied most defects of the old GATT system and have brought important new areas, such as services and intellectual property rights, under multilateral disciplines. For the first time we have a coherent set of rules covering virtually all aspects of world trade. The new World Trade Organization - the jewel in the crown of the Uruguay Round - and its binding and unified dispute settlement mechanism will strengthen the rule of law in the new world trade order. In fact, it will offer us a new system of collective security in trade, which will guide and bind countries far into the next century. Governments everywhere recognize that, notwithstanding their economic, social and political differences, economic cooperation should be at the heart of their domestic economic and foreign policy making.

As the Marrakesh Declaration rightly emphasizes, we have made a significant step towards a more balanced and integrated global trade partnership, but much more remains to be done. During the course of the Uruguay Round we have witnessed an unprecedented economic and political opening-up across the globe and a very active participation of developing countries in the negotiations. Many developing countries and countries in transition towards a market economy, have undertaken courageous unilateral trade liberalization efforts. Their reform process, however, is not yet irreversible and remains very much dependent on their full and rapid integration into the world economy. Our common interest surely lies in the broader extension of the benefits of sustained economic growth. Offering developing countries and countries in transition market access and supporting them in their efforts to implement sound domestic economic and financial policies will be key elements in securing their successful and lasting integration into the world economy.

Let me explain briefly the specific situation of the Kingdom of the Netherlands. It consists

of three constituent parts, the European part which is the Netherlands, and two overseas parts, the Netherlands Antilles and Aruba. Both overseas parts are independent customs territories and will also be bound by the Final Act and all Uruguay Round agreements. As with GATT, the Kingdom of the Netherlands will become one member of the WTO, but it will incorporate three countries with their own schedules for goods and services. Both the Netherlands Antilles and Aruba are small island economies in the Caribbean region subjected to the vagaries of the global economy. The governments of both countries are firm believers in a strong multilateral trading system and are willing to accept the obligations involved. Their GATS schedules are already part and parcel of the Final Act. Due to administrative problems related to the recent introduction of the Harmonized System their tariff schedules could not be verified in time before the meeting. I hope that contracting parties will recognize the significant effort of both countries to bind their complete tariff regime at relatively moderate levels and as yet will accept their GATT schedules.

I want to stress the dynamic character of the Uruguay Round agreements and the permanency of the WTO. Firstly, in several areas such as services and agriculture, we have committed ourselves to a process of continuing reform and further liberalization. The Netherlands attaches great importance to the liberalization negotiations in services starting next month. Secondly, the WTO agreements are not carved in stone for all eternity. The WTO with its comprehensive membership and broad ranging mandate offers the permanent forum to deal with new challenges and developments in the world trading system, making the complex and almost unmanageable negotiations of the Uruguay Round probably the last of its kind. WTO members must pursue further trade liberalization on a continuous basis. They should ensure that the multilateral system will adapt itself to changing global needs and that the WTO agenda will incorporate new challenges. This agenda, however, should be built on consensus and not on power play and arm twisting. I welcome very much the heightened political profile of the WTO. I would, however, like to voice a strong warning against politicizing the WTO from the outset and trade policy in general. The WTO should not become a stage, where governments only try to please their domestic lobbies or pressure groups.

Looking at new themes for the WTO agenda our general position is that WTO should stick to issues that have a clear relationship with trade.

I very much welcome the attention that will be given to trade and environment. I wholeheartedly subscribe to the thesis that there is no inherent contradiction between safeguarding the open, multilateral trading system and protecting the environment. Both policies aim to promote the overall objective of sustainable development. Within its competence the WTO should in our view primarily ensure that markets are kept open and encourage proper pricing of products and services that incorporates the environmental costs. This is something which is not or very rarely attained through trade restrictions. Moreover, we have to realize that global and regional environmental problems are best addressed through cooperative efforts, such as multilateral environmental agreements or regional agreements between neighbouring countries. Trade instruments in multilateral environmental agreements are always second-best and can at most be supplementary to deal with environmental problems. Such measures should be in conformity with agreed multilateral rules of the WTO. The subcommittee of the Preparatory Committee and at a later stage a permanent WTO Committee on Trade and Environment should actively embark upon the ambitious work programme set out in the Decision of Marrakesh on Trade and Environment.

Equally, I want to advocate that the WTO would give adequate attention to the issue of trade and competition policy in due course.

With regard to the controversial and divisive matter of trade and social rights or workers' rights, I clearly want to state that this Conference is not the place to decide on incorporating this issue in the WTO agenda. The fact that some speak of workers' rights and others of social rights or even social

dumping is illustrative for the obscurity and confusion surrounding this issue. No one really knows at this stage what the issue is. Opinions differ strongly on the question whether the WTO is the proper forum to primarily address the issue of workers' rights. I do not exclude that workers' rights and possible trade related aspects will be discussed in the WTO in due course. But first more clarity, analysis and dialogue are needed to establish if there is a need for the WTO to get involved. Any possible discussion in the WTO should be open and broad-ranging without hidden agendas. I want to make it clear that the Kingdom of the Netherlands will not accept any form of protectionism in a new guise under a self-serving banner of promotion of social and workers' rights in other countries.

In conclusion, there is no reason for complacency in trade policy, now the Uruguay Round has been concluded. The seductions of protectionism, aggressive unilateralism and managed trade are always lurking in the background and could easily resurface. Be it, on the import side, in the form of traditional trade barriers to low cost imports or trade restrictions because of ill-conceived concerns about social and environmental conditions in other countries, or, on the export side, in the form of quantitative numerical targets for market shares of imported goods. All such measures strike at the basic principles of the multilateral trading system and cannot be condoned.

Of course, genuine issues will have to be addressed. But in trade policy, industrialized countries in particular should be exemplary in their actions and resist protectionist pressures of all kind. In our constantly changing world, many certainties of the past, both economic and political, have been turned upside down. In such circumstances, the value of a secure and predictable multilateral trading system, which protects the weak and commits all countries, cannot be underestimated.

Finally, when we leave Marrakesh, all of us should do their utmost to ratify the Uruguay Round agreements as quickly as possible, so that the new rules of the game can enter into force from the beginning of 1995 and we will be able to start building up the WTO.