

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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**Trade Negotiations Committee
Meeting at Ministerial Level
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DENMARK

Statement by H.E. Mr. Niels Helveg Petersen
Minister for Foreign Affairs

It is a pleasure to be here in Marrakesh.

It is a pleasure because Marrakesh is such a pleasant city. It is a pleasure because of the warm and cordial reception we have been given by our Moroccan hosts. Let me therefore join previous speakers in extending our gratitude to His Majesty King Hassan II and to the people of Morocco for the splendid organization of this important Ministerial conference.

The importance of this conference is another reason that makes this stay in Marrakesh a pleasure. The signing tomorrow of the Final Act and the WTO Agreement marks the successful conclusion of seven years of strenuous negotiations. Many times on our way fear arose that the project would be wrecked. It may have suffered a little damage on its way, and without doubt we can all point to things we would have liked to see different. Overall, however, our project survived in good shape.

The Uruguay Round result leads to a much needed updating of the rules of the multilateral trading system. It takes into account the deficiencies of the existing trading system and brings in new issues such as services and intellectual property. If we had not agreed to this modernization, I am convinced that the GATT system would have been marginalized.

We create a new World Trade Organization as the institutional framework for the multilateral trading system. The WTO shall be our guardian for an effective implementation and enforcement of the rules.

This is clearly a strengthening of the multilateral trading system. We are now better equipped to resist protectionism and unilateralism, in whatever form such risks may appear.

For a country like Denmark, which is heavily dependent on foreign trade, multilateralism, non-discrimination and rule of the law are concepts of vital importance. We do not believe that raising barriers for trade at our border and protecting domestic industries will benefit the national economy in the long term. Buying yourself some short-term relief through protection may cost you dearly in the long term. We must be prepared to adjust continuously our economies to new challenges in order to reap the benefits of free and fair trade.

There is some similarity between protectionist forces and bacteria. Both are always present in the world surrounding us, but only under favourable conditions do they become a threat. Unfortunately, we must note that a long-lasting economic recession and widespread unemployment have created a climate favourable to protectionist forces in the Western world particularly. To resist

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effectively the protectionist forces we therefore need both to devise policies that will cure the unemployment problems, and to establish multilateral trade disciplines that prevent beggar-thy-neighbour policies.

Through the WTO it is my hope that we have taken the steps needed to establish the necessary multilateral trade disciplines, including a comprehensive dispute settlement system.

Regrettably we are still lagging behind in defining policies to cure the unemployment problem. It remains a challenge for national policies as well as international cooperation.

While congratulating ourselves with the positive conclusion of the Round we shall not be led to believe that this is the end of the road. The world is undergoing continuous change, and the changes take place faster than ever. The globalization of economy and culture, the emergence of transboundary environmental problems, the concern for our common heritage and for human values, confront us with new problems and new challenges. We must address these problems. And we must be prepared to adjust the rules of the game, when necessary.

The environment is a primary example of such new issues that have to be addressed. Denmark welcomes that the conference tomorrow can adopt a substantial work programme for the relationship between trade and environment, and that a committee will be established to deal with the question from the very start. A good deal of work has already been done in the GATT. The work has progressed in a fruitful and constructive dialogue among all the parties involved. Assessing the environmental impact of trade policies is an additional dimension to be looked at.

In the edifice to be constructed for trade and environment a multilateral approach should be the centrepiece. It should be accompanied by all the necessary guarantees to avoid that environmental concerns are abused for protectionist purposes. Building on this basis in our continued dialogue on trade and environment is in the mutual interest of the environment and trade people.

The same concern for protectionist abuse must be in the centre, when it comes to the other new issues facing us after the Marrakesh conference. One such issue is respect for fundamental labour rights. We are all aware of the highly sensitive nature of this issue. The sensitivity may partly be due to the uncertainties regarding the content of the issue. There are no straightforward answers to questions about the definitions of labour rights, about their economic significance, about the appropriateness of linking trade and labour policies.

I see a need for a thorough analysis and debate of these questions. Let us not suppress a debate that may only create favourable conditions for protectionist forces to thrive. Let us have the debate in the ILO and in the WTO. Let us bring all our concerns out in the open. From the Danish side, it can be made quite clear that the debate should in no way aim at eliminating the comparative advantages emanating from different social costs or otherwise give ground to protectionism. We see it, however, as a legitimate concern to seek ways to ensure compliance with international conventions like the ILO conventions on fundamental labour rights.

When returning home after Marrakesh, our first priority should be to ensure a speedy acceptance of the WTO Agreement so as to allow the agreement to enter into force as early as possible. We will not get the benefits of the agreement before it enters into force. Furthermore, we must actively engage in the completion of the negotiations that were left unfinished, as well as preparing for the consideration of the new trade issues.

So, while closing the Uruguay Round, we are at the same time opening a new round of trade talks. The Danish Government will actively contribute to the success of these efforts.