

GENERAL AGREEMENT ON TARIFFS AND TRADE

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EEC: STATEMENT BY MR. DE LERCQ, MEMBER OF THE
COMMISSION OF THE EUROPEAN COMMUNITIES, AT THE MEETING OF THE
GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL,
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

Punta del Este is today the focus of world attention. The international economic situation is a continuing source of concern. Economic recovery is not assured. Monetary and financial problems are tending to get more serious. Protectionism is still rife. This situation is particularly affecting the developing countries.

It is not up to trade policy makers to redress imbalances originating in other fields, such as the macro-economic, monetary and financial. Nevertheless, parallel action must be taken in these areas, in order to improve the international economic environment. While some progress has already been achieved in this direction, a great deal still remains to be done.

In the field for which we have responsibility, namely trade, revival of the world economy calls for vigorous and sustained action to boost international trade. A new and ambitious round of multilateral negotiations is therefore essential. It is our responsibility to produce over the next few days a joint message of confidence and encouragement to the international community at large. The stakes are high. Let us therefore, together, take decisions which will enable the prosperity and well-being of our society to be assured at the threshold of the third millenium.

The Community is aware of its responsibilities and is participating in this meeting with the firm intention of successfully crowning it with the launching of the New Round.

The Community considers that standstill must be respected by all contracting parties throughout the duration of these negotiations, as an essential precondition for their success. A firm commitment is required here. The Community is also prepared to take part in a collective and fairly shared political undertaking to dismantle measures which are incompatible with standard GATT rules and which hamper or distort trade.

As regards agriculture, the persistent disorder in world markets reflected in an imbalance between supply and solvent demand is now such

that, for order to be restored, excess production must be tackled, stocks pressuring the market eliminated in a concerted manner, and world trade rules strengthened within the framework of the General Agreement.

If they are to succeed, the negotiations will need to cover in a balanced way all aspects of trade in agricultural products without, however, over-emphasizing any one such aspect. Similarly, these negotiations cannot overlook the - acknowledged - specific features and problems of the agricultural sector. The Community naturally intends to ensure that the negotiations do not place in question the fundamental aims and mechanisms of its own agricultural policy. Also, the interdependence of problems and the multiplicity of methods of intervention in this sector manifestly call for the negotiations on agriculture to be handled by a single group which will be clearly and undeniably responsible for their conduct and successful conclusion.

A further Community objective is to bring the GATT into line with present and future realities. The launching of this New Round is not conceivable without taking into account the significant changes which are taking and will take place in the trading environment. The GATT too must "change" and, in so doing, cover "non-traditional" issues, by which I mean trade in services, intellectual property and the trade aspects of investment.

The level of international trade in services stands at one quarter of the level of trade in goods; services today constitute one of the most dynamic features of the world economy.

It is, in our view, essential to negotiate a multilateral framework of principles and rules and to devise - as far as possible and having regard to the particular features of the various services - specific disciplines by sector or group of sectors. The aim must be to increase transparency and to liberalize trade.

The absence of adequate protection in the case of intellectual property has led to considerable distortions in trade in certain sectors. The GATT can and must act in parallel with other institutions in framing principles and rules relating to the trade aspects of intellectual property. Our aim in this area, as in the area of investment, must be to create a favourable, dynamic climate which will give a fresh boost to the world economy.

These three issues must form an integral part of the negotiations. The Community therefore approves in its entirety the text of PREP.COM/W/47/Rev.2 relating to them.

One of the aims which that draft establishes is to ensure the mutual advantage of, and to bring increased benefits to, all participants. As far

as the Community is concerned, the text fails to dispel existing ambiguities. It feels that many of the present tensions affecting world trade find their origin in the fact that concessions negotiated between the various contracting parties have in reality not resulted in effective reciprocity. It is therefore essential that the Ministerial Declaration should establish the objective of achieving a genuine balance in the benefits accruing to the contracting parties from the GATT.

At the beginning of my statement I addressed some of the problems facing the developing countries. I should like to conclude by repeating that the Community intends to continue to pay particular attention to the specific and legitimate needs of the less developed countries. In that connection, it does not intend to place in question the principle of special and differential treatment for developing countries. Account will of course have to be taken of the substantial economic progress of some of these countries, since this principle needs by definition to be applied in an evolutionary way.

I should like to assure you that the Community will do all in its power to ensure that here in Punta del Este a decision is taken to launch the New Round with the best prospects of success.