

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

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JAPAN: STATEMENT BY MR. TAMURA, MINISTER OF INTERNATIONAL TRADE
AND INDUSTRY, AT THE MEETING OF THE GATT CONTRACTING PARTIES
AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,
PUNTA DEL ESTE, URUGUAY

It gives me a great honour to be given this opportunity to express our views on behalf of the Government and people of Japan. I would like to express my gratitude to the Uruguayan Government for hosting this meeting.

I have just arrived here after having participated in the Ministerial Conference on Economic Measures which examined additional measures for expanding domestic demand in Japan.

Japan, being cognizant of its responsibility as a member of the international community, has accommodated to a precipitous appreciation of Japanese yen which has already brought about both a decline in export volume and a sharp increase in import volume. At the same time, despite serious and long-standing budget difficulties, we will take further measures to boost domestic demand on a short-term perspective. I maintained ever so strongly in the meeting of the Ministerial Conference on Economic Measures that effective domestic demand expansion policies should be taken by the end of the current fiscal year, with a view to meeting high expectations expressed by foreign nations for Japan's announced economic growth rate. On the other hand, on a medium and long-term perspective, we consider it important that structural adjustment of the Japanese economy be carried forward steadfastly. This will of course cause tremendous pain to domestic industries concerned.

Basically, structural adjustment of economy depends largely on market forces such as exchange rate changes. This calls for, above all, the maintenance and enhancement of the free trade system. The Government of Japan on its part will take determined efforts to provide for environment which facilitates such adjustment.

I will put my political career at stake for the task to be implemented. Be that as it may, this is something Japan and its people will undertake to do with its own initiatives.

Recognizing that there certainly lies a limit to what a single nation can achieve, Japan will continue to make solid efforts for the international harmony. We, Ministers, should cease to pursue the interests

of our respective countries based on a short-term perspective and why do we not ask ourselves what each and every one of us can and should do in bringing about prosperity in world trade based on a long-term perspective.

The GATT, since its foundation, together with the IMF, has played a vital rôle as one of the two pillars supporting the global economic system.

Now we, Ministers, are gathered here with a firm conviction to fight the mounting protectionism to the hilt. Let us make this Ministerial meeting a big success by all means.

I would like to express my great appreciation for the enormous efforts of the Preparatory Committee for this Ministerial meeting. We have before us a draft Declaration, W/47/Rev.2 as a result of painstaking efforts, which has gained support of about fifty nations, which I believe to be a significant achievement.

Japan, on its part, forcefully supports this W/47/Rev.2.

We, Ministers, are here from different corners of the world not to be scared of difficulties but to face them squarely and to seek solutions thereto forcefully. Is it not time for us Ministers to make an enlightened final decision?

Allow me now to relate my thinking on the New Round.

First, the New Round should have long-term and historical perspectives and should not be dazzled by short-term economic phenomena. In this regard, it is essential to strengthen the GATT system to increase its responsiveness to the evolving international economic environment, taking account of changes in trade environment, such as expanded trade in services reflecting results of technological innovation which have become increasingly marked since the Tokyo Round, growing importance of intellectual property rights and a greater amount of foreign direct investment. Bearing this in mind, we forcefully support W/47/Rev.2.

Second, the development of trade and economy of developing nations is indispensable for the sound expansion of global economy and trade. From this viewpoint also, we forcefully support W/47/Rev.2, which provides clearly for deep considerations to developing nations.

Third, I would like to take up the issue of trade in agriculture which is as important as trade in industrial products. Because of its specificity and its traditional nature, trade in agriculture entails

inherently difficult problems. Nevertheless, it is important that concerned nations work strenuously to strike a painful but mutually acceptable compromise from the spirit of submerging differences for greater common interests. Considering this also, we forcefully support W/47/Rev.2.

Fourth, I would like to touch on the reciprocal and mutually advantageous nature of the GATT. With this nature as the basis, W/47/Rev.2 states that negotiations shall aim to bring about improvements "to the benefit of all countries, especially less-developed contracting parties". It further provides that "negotiations shall be conducted to ensure mutual advantage and increased benefits to all participants". Needless to say, the GATT provides for trading rules and does not aim to ensure resulting balance of benefits. The equilibrium in world trade is achieved not by trading rules alone but through combined effects of various factors such as exchange rate, domestic economic policies, international energy situations and corporate productivity as well as trading rules. W/47/Rev.2 states explicitly and rightly the need for the inter-linkage between money, finance and trade. Therefore, we forcefully support W/47/Rev.2.

Finally, it goes without saying that broader efforts will be strongly needed for achieving equilibrium and expansion of world trade on the part of both exporting and importing nations. Japan's efforts for domestic-demand expansion and economic structural adjustment, which I stated at the outset, constitutes an important and indispensable part of the overall endeavours. In order to facilitate further development of world trade and economic structural adjustment, the rôle of the GATT, trading rules for improving trading opportunities of all nations on a reciprocal basis, is extremely important.

I earnestly urge that all participants make best efforts, based on the spirit of co-operation and harmony, to turn this Ministerial meeting into a glorious occasion to make a Declaration to launch the New Round, the Uruguay Round, which will take us successfully to the twenty-first century.