

GENERAL AGREEMENT ON TARIFFS AND TRADE

SR.42/ST/21
18 December 1986
Limited Distribution

CONTRACTING PARTIES
Forty-Second Session

Original: English

SINGAPORE

Statement by H.E. Mr. See Chak Mun
Ambassador, Permanent Representative

The most significant development since the Forty-First Session of CONTRACTING PARTIES was the launching of the Uruguay Round. Like all countries which advocate an open trade régime, Singapore welcomes the results reached at Punta del Este. In adopting the Ministerial Declaration on the Uruguay Round, Ministers have expressed their determination to halt and reverse protectionism and to remove distortions to trade, to preserve the basic principles of GATT, and to develop a more open, viable and durable multilateral trading system. My delegation therefore wishes to emphasize the urgent need to establish the trade negotiating groups and to elaborate on the detailed trade negotiating plans so that actual substantive negotiations could start as soon as possible and be completed within the schedule agreed to in Punta del Este.

The Uruguay Round was launched against a backdrop of rising protectionist sentiments, proliferation of grey-area measures to limit imports from more efficient producers, and increasing resort to bilateralism. It was, therefore, a significant step forward when Ministers renewed their commitments to the General Agreement, to standstill and rollback, as well as to the further liberalization of world trade. However, the lack of improvement in the world trade climate coupled with restrictive measures taken by certain contracting parties following the launch of the Uruguay Round have undermined the Ministerial commitment somewhat. Singapore has not been spared from these restrictive measures. In fact, one contracting party has taken action, without consultations, to ban the import of tropical aquarium fish from Singapore. I do not want to go into the details here as the dispute has been temporarily and conditionally resolved. But I raise this issue to remind us of the fragility of the international trading system, and to emphasize the urgent need for substantive multilateral trade negotiations to begin without delay, with a view to revitalizing the floundering multilateral trading system.

My delegation is particularly concerned that if protectionist measures continue to proliferate, they would only erode confidence in the international trading system under GATT. Singapore, therefore, considers the strict and full adherence to the standstill and rollback commitments embodied in the Ministerial Declaration as requisite to the success of the Uruguay Round. The setting up of an effective surveillance mechanism thus deserves high priority. The surveillance mechanism must be mandated to

review and to evaluate the cumulative impact of these breaches so as to ensure that the commitments on standstill and rollback are fully met.

The Ministerial Declaration has also recognized that a comprehensive agreement on safeguards is of particular importance to the strengthening of the GATT system and to the progress of the multilateral trading system. In this context, we wish to reiterate our support for the m.f.n. approach for the comprehensive agreement to be negotiated, as selectivity is incompatible with a non-discriminatory trading system which GATT promotes. Furthermore, the commencement of substantive negotiations on the comprehensive agreement must not be delayed, but must be started and completed early.

Other issues of interest to Singapore and ASEAN such as dispute settlement procedures, tropical products and agriculture must be adequately addressed. On trade in tropical products, we wish to see the negotiations on tropical products conducted on a fast-track basis so as to facilitate the early conclusion and implementation of the results of the negotiations. On trade in agriculture, we would like to see the subject, particularly export subsidies affecting world trade, dealt with meaningfully and comprehensively.

The improvement of the GATT dispute settlement procedures is also a priority for Singapore. A more effective procedure will enhance confidence, integrity and credibility in the GATT. It will also ensure that the trading interests of small countries like Singapore will not be adversely affected by unresolved disputes or by their inability to retaliate if the stronger party refuses to comply with the panel recommendation.

If the multilateral trading system is to work, the major industrialized countries must provide the lead. They must be committed to GATT principles and rules governing international trade. They must resolve their burgeoning trade problems within the GATT framework, and ensure the orderly conduct of international trade and economic growth. The further opening of the markets of industrialized as well as developing countries will provide the necessary stimulus for world economic growth. This will in turn lead to increased imports by developing countries of the goods produced in industrialized countries. Failure to do so will further undermine confidence in the international trading system.