

# GENERAL AGREEMENT ON

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STATEMENT BY H.E. MR. TRAN VAN-THINH, PERMANENT REPRESENTATIVE  
OF THE COMMISSION OF THE EUROPEAN COMMUNITIES TO THE GATT  
FOLLOWING THE CONCLUSION OF THE TRADE POLICY  
REVIEW OF THE EUROPEAN COMMUNITIES

Mr. Chairman,

I should like first to reassure my friend Mr. Major, who is here with us, that this does not yet concern Hungary. I would at least wait for you to say something before adding my grain of salt and perhaps of pepper! Mr. Chairman, with your permission and with the consent of my colleagues, I should like this afternoon to make my contribution to the conclusion of the discussions regarding the European Community.

Allow me, at this stage in the existence of the Trade Policy Review Mechanism to recall certain agreements that were at the origin of the mechanism. Since I personally played a fairly decisive rôle in establishing this mechanism, I should very much like to recall what was agreed at the outset, so that in the light of what has happened after the review of various countries we can steer a straight course. As we all know, this mechanism is still experimental and at some point the CONTRACTING PARTIES will have to confirm it with, perhaps, some adaptations or adjustments found necessary in the light of our joint experience.

The time has come for me to give you a first evaluation of the worth of this mechanism. First of all, I would like to remind you that the Director-General himself called the CONTRACTING PARTIES to order on several occasions and asked them to take a greater interest in discussions in the framework of the review of trade policies. I note that enthusiasm is not yet very general. That is an important point - why is there no overwhelming enthusiasm? No doubt because contracting parties have not realised the true value of this review mechanism. Without mentioning any names, some of them still confuse this review mechanism with daily GATT routine; with observance or non-observance of obligations or rights, and sometimes there are indications of a bitter aftertaste - no doubt because a forward-looking review is confused with something in the nature of settling accounts. Since the inception of this mechanism, I have always said that problems of that kind regarding obligations should be dealt with under the dispute settlement procedures, not under this Trade Policy Review Mechanism.

Despite the fact that this review concerns individual cases, it must by definition be of a collective nature. At a certain time, we shall have

to say whether or not trade policies as conceived, as probably projected in future trends, would be likely to strengthen the multilateral system, or likely to by-pass or undermine that system. So far, except for a few isolated satisfactions, I don't have the feeling that we are really in the spirit to make a collective judgement, a collective assessment, in connection with the multilateral system as such. In other words, through individual reviews, this is an exercise of persuasion designed to allow decision-makers to become aware of the conception of trade policy, if possible developments and above all of the consequences for the multilateral system as such, rather than one or other consequence of bilateral relations that can always be dealt with under the dispute settlement mechanism.

I have said all this, Mr. Chairman, because when I read the conclusions you have drawn on your own responsibility regarding the review of the European Community's trade policies - and that implies a certain degree of subjectivity on your part, and also on the part of the Secretariat which must have helped you - I should have liked more light to be thrown on the case of the Community. Europe, or European integration is the major event of the closing years of this century, and an event that will be further amplified for the coming century. And I would even say, without any false modesty, that without the European Community which is the motive force to lead all national economies towards the worldwide market economy - and I would even say that the European Community has made a decisive contribution in the fall of the Berlin Wall, in the awakening of the centrally-planned economies to failure and bankruptcy - to allow such an adjustment in the direction of the market economy. We shall therefore continue strongly in this direction and I do not hear this note of hope in the phenomenon of European integration, which, besides, is not going to stop there.

The problem would perhaps be to make the contracting parties realise that the cost of non-Europe would perhaps be far more serious and grave for the world economy as a whole and for the multilateral system, and not merely a problem of determining whether the Community has sinned or made mistakes on any particular aspect. Of course, anyone can sin or make mistakes; but what is the positive side? We represent a considerable hope for the future and for the world and above all for the multilateral system. Would that system, of which you are glad to be a part, be viable without the European Community? And if the Community moved out of the system, by default, what would remain?

One should have a sense of balance, a sense of proportion, a sense of relativity to give more encouragement, to urge the political authorities and decision-makers of the Community to realise and recognise that European integration is all very well, but would be still better if it carried and continued to carry positive effects for the rest of the world. That is how it should be seen. And if that were not to be the case, what should one do to improve that image so that the Community can become more aware of its responsibilities vis-à-vis the world? Otherwise, Mr. Chairman, the conclusions I have read could give a disappointing impression that would

not be fruitful at all because the Community is not something that can be by-passed.

I have always contended that without the Community nothing gets done here. A fortiori, one can do nothing against the Community. That is because it is a reality, a reality that has to be well understood and to carry our hopes for the future.