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## **URUGUAY ROUND RESULTS BUILD BASIS FOR ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT**

Action on the environment would greatly benefit from the Uruguay Round, Mr Peter Sutherland, GATT Director General said today (Friday 10 June 1994). In opening remarks to participants attending GATT's two-day Symposium on Trade, Environment and Sustainable Development held at GATT Headquarters, Mr Sutherland said, "Failure of the Round would have dealt a devastating blow to multilateral cooperation, not only on trade matters, nor even only on economic policy-making in general, but in other areas such as international security and the environment."

Mr Sutherland said that as a result of the success of the Uruguay Round negotiations, many countries, developed and developing, found themselves able to replace old alliances built around the East-West conflict with closer and deeper economic ties with their trading partners. "They are defining their future policy agendas on that foundation. What better basis could there possibly be for pursuing global objectives in the areas of environmental protection and sustainable development?"

He explained that when governments completed the Uruguay Round negotiations, they also agreed a Decision on Trade and Environment, which was adopted by Ministers in Marrakesh, Morocco in April. Mr Sutherland said many factors, however, can be credited in bringing the subject of trade and environment to the point of maturity that it had to reach before it could be endorsed by consensus by Ministers in Marrakesh as a topic to add to the World Trade Organization's responsibilities.

"First was the elaboration and acceptance of the approach, endorsed by the Brundtland Commission and the UN Conference on Environment and Development, of the need for economic growth to go hand in hand with better environmental protection and the promotion of sustainable development.

"Second was acceptance of the fact that trade and environment linkages cannot be defined uniquely in terms of trade restriction. On the contrary, it is trade liberalization, not restriction, which holds the key in so many areas to producing a coordinated policy response to environmental problems by allocating scarce resources, including environmental resources, more efficiently and by generating wealth.

"Third, trade policies alone cannot be asked to resolve all environmental problems. Trade policies, and particularly the removal of environmentally damaging trade restrictions and distortions, have an important role to play, but trade is only one of several areas of economic policy-making relevant to environmental protection and sustainable development. Finance and technology transfer are equally vital pieces of the puzzle.

"Fourth, it is clear that demands for a cleaner environment and for environmentally-friendly goods and services have been increasing worldwide. The speed and the direction of events in this regard, from the demands of consumers, to industry reaction in the marketplace, and thereon to government legislation, makes the need for multilaterally policy cooperation urgent for the sake of both the environment and the trading system.

"Recognition of the last point in particular," explained Mr Sutherland, "has played an important role in persuading many of those GATT member countries who initially were extremely hesitant to accept the subject of trade and environment into the GATT, welcome it being brought now into the WTO where their trade concerns can be properly addressed."

Addressing the problems of some governments, Mr Sutherland said that many countries "still retain serious concerns that within the subject of trade and environment hide dangerous manifestations of trade protectionism. One of the keys to success in the WTO Committee on Trade and the Environment, " he said, "will be firmly laying those concerns to rest, and securing results that can attract the wholehearted support of the collective membership of the WTO." In ratifying the results of the Uruguay Round, concluded Mr Sutherland, "there is in my view as much at stake for improving the management of the global environment as there is for international trade and the trading system."

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