

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(88)/ST/4
5 December 1988
Special Distribution

Trade Negotiations Committee

Original: English

Meeting at Ministerial Level
Montreal (Canada), December 1988

EUROPEAN COMMUNITIES

Statement by Mrs. Vassa Papandreou,
Deputy Minister for Trade of Greece
on Behalf of the Presidency of the Council
of the European Communities

I should like first of all to express the congratulations of the Community to Mr. Zerbino on his election as Chairman of the Trade Negotiations Committee at ministerial level. I am sure that, like his respected predecessor Mr. Iglesias, our Chairman will guide us safely in the important and difficult task awaiting us to make this meeting a success. I have no doubt that the first-class assistance he will have from the Director-General and his team - to whose efficiency, as demonstrated throughout the preparation process, I pay tribute here - will be of great help to him.

1. Introduction

I should like to thank the Canadian Government and the Province of Quebec for the magnificent welcome we are receiving here in Montreal. As my predecessor pointed out at Punta del Este, it is the GATT tradition to hold meetings beside a lake or beside the sea. By meeting on the banks of the St. Lawrence, we have once again been true to tradition: the St. Lawrence, linking the great lakes and the sea, is a splendid symbol. With its past, it symbolizes the thirst for discovery of intrepid men with great qualities of imagination and perseverance. For the present and the future, with the works undertaken on the St. Lawrence, it recalls human intelligence and its ability to harness nature to economic change. This symbol seems to me to augur well for our proceedings, in which we must show imagination and perseverance and demonstrate our capacity to rise to the challenges of changes of all kinds in our economies.

I should like briefly to mention here the great importance which the European Economic Community attaches to the Round of Multilateral Trade Negotiations launched in Uruguay, and the spirit in which we are approaching this meeting half-way through the Round. My good friend Willy de Clercq, Commissioner for External Relations, will give you a more detailed outline of the Community's position on the various subjects we shall be discussing.

2. The rôle of the Uruguay Round of negotiations

The end of our century is characterized by an international economic and trading environment beset by a number of uncertainties. These uncertainties have to do with the unprecedented breakthrough of technologies which open new prospects of economic development but are also resulting in a veritable revolution, both in production and in consumption and in social relationships. The adjustments taking place everywhere in the world, the effects of which are still in part unforeseeable, the requirements of the effective protection of a healthy environment for humanity, the debt crisis, the fundamental trade imbalances and the absence of any real cohesion between monetary, financial and trading policies: all these constitute uncertainties and challenges for the international economy.

Faced with these uncertainties and the challenges they represent, each of us, whether nationally or internationally, must assume his responsibilities, according to his needs and abilities.

On a national scale, efforts must be continued to achieve the required structural modifications and maintain or restore overall economic balances so that such stability will favour the growth that is indispensable for the development of internal markets, the essential factor in the expansion of world trade. The Community is fully conscious of how imperative this is, and is making its contribution. I need only remind you that the Community, despite the diversity of its agricultural structures, has taken great strides forward in modifying its Common Agricultural Policy. It has also introduced structural policies with the aim of speeding up development of its least-favoured regions. It has launched itself into vast undertaking of achieving a single internal market by 1992. Allow me here to assert that the breaking down of borders involved in the single market and ensuing economies of scale will create mutual opportunities both for

Community and foreign undertakings. The single market will not, as some outside wrongly believe, introduce any kind of protectionism. It will form a dynamic framework and it will be up to businesses to seize the opportunities opening up to them.

At international level, and in an ever more interdependent world, these efforts would, however, be illusory if they were not encompassed, accompanied, integrated or even sublimated by increased international solidarity and co-operation giving the international economic and trading system a sound, equitable and balanced based providing mutual benefits for all. GATT, in this context, is like a lighthouse with the light of its rules and constraints shining at all times to warn us against the dangers of the rocks of protectionism and the shallows of bilateralism, and equally to show us the way to follow to keep to the course of an open multilateral trading system.

The Uruguay Round is an opportunity for us all to transform this lighthouse into an indestructible Colossus of Rhodes by successfully carrying out our joint enterprise and founding a multilateralism of a new depth in the traditional sectors and of a new breadth in its scope. A static position would be perilous because it would not allow the elimination of the world-wide structural rigidities which hold back international growth. We have a duty to satisfy the legitimate expectations of business and industry which want to be able to work within the framework of a modernized GATT with strengthened and extended rules and constraints ensuring the security and predictability of international trade transactions. A modernized, stronger GATT is, moreover, indispensable if it is to be able as an institution to make its voice heard in the international arena by making its contribution and establishing reciprocal co-operation with the other international monetary and financial institutions, with the object of achieving greater cohesion between their various policies.

It will require a display of courage and solidarity on our part to carry out this task successfully. I should like to stress here that the Community attaches the greatest importance to activate participation by the developing countries in the Uruguay Round and its outcome in view of their needs - particularly those of the most disadvantaged developing countries - and the contribution they are able to make. The Community has for a long time maintained close relations with these countries based on a

partnership between sovereign and equal States. It is at all times listening in to the problems of the developing countries. It will in particular be taking action in the priority sector of tropical products. But it will also be engaged in a broad search for balanced solutions freely accepted and implemented by all. In these negotiations there should be neither winners nor losers, only results that are mutually beneficial to all those involved.

3. The Montreal spirit

The Community is adopting a flexible approach to discussions in the next few days while remaining fully aware that the present half-way meeting is no more than an intermediate stage in the process leading us to completion of the negotiations at the end of 1990. This remains the key and imperative date for finding overall, detailed and final solutions covering all areas of negotiation. The half-way examination should therefore ease along this negotiating process and stand firm against any attempts to force through unrealistic objectives that are likely subsequently to jeopardize the ultimate goals of these complex and ambitious negotiations.

The Community feels that the half-way examination should be used to take stock and consolidate the progress made and to adopt political guidelines for continued negotiations. We shall therefore have to take any decisions required for the provisional implementation of concrete measures where that is possible, and for the procedures to be followed during the rest of the negotiating process. It will also be necessary to reaffirm unequivocally that 1990 is the deadline for completion of negotiations on the basis of realistic negotiating programmes for each Negotiating Group. In addition we shall have to recognize the need for further improvements in the monetary and financial back-up required for effective implementation of the results already achieved and of those still to come between now and 1990. Finally, we shall have to state our position on compliance by the participants with the standstill and rollback requirements.

It is clear that throughout these discussions the parameters of globality and consensus will constitute fundamental and indispensable

guidelines. The concept of globality is an essential operational instrument for assessing whether balance has been achieved in the progress made and in the gains and sacrifices of the various parties. The idea of consensus is also important in ensuring that we all remain on board the ship and follow a navigation plan that has been freely accepted by every member of the crew.

I should like to conclude by stressing that it is in our common interest to complete the half-way exercise on which we have embarked on a clear note of success. You may rest assured that the Community will do its utmost to further play its full part in contributing to that common interest.