

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

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BRAZIL

Statement by Mr. Paulo-Tarso Flecha de Lima,
Ambassador, Special Representative for Trade Negotiation

At the outset, I wish to take this opportunity to express my satisfaction to see you as Chairman of this Trade Negotiating Committee. I am confident that under your able guidance we shall achieve important results at the end of this week's work.

I would also like to thank the Government of Canada for its kind hospitality and for hosting this meeting.

The current state of the world economy and trade demonstrates the need for the international community to reverse the worrisome trends toward protectionism, unilateralism and arbitrary measures which seriously aggravate the plight of the developing countries.

Given the degree of adversity of the external conditions and the prospects for achieving a sustained and equitable growth in the near future, our task is awesome. Debt problems, increasing protectionism, continuous decline in the financial flows leading to a halt in the development process, are some of the interrelated elements of an equation which has to be tackled in an integrated manner if we want to attain meaningful results. It is high time we gave concrete expression to the recognition that trade, finance and development are closely interrelated and took immediate measures in this regard.

Recent developments in the world economy threaten to erode the multilateral trading system. Actions taken by major trading partners with

a view to strengthening their negotiating position in the Uruguay Round clearly violate the commitment to standstill which is enshrined in the Punta del Este Declaration and undermine the efforts being made to reach our objectives in a manner consistent with the basic principles that govern these negotiations. They contrast sharply with the autonomous liberalization measures taken by a number of developing countries, including Brazil, to promote their gradual integration into the system and demonstrate their willingness to contribute to the successful outcome of the Round. May I refer, in passing, to the decision by the Brazilian authorities to exclude from the list of products, for which the issuance of import licences is temporarily suspended, some 1,250 items ranging from foodstuffs to chemicals, thus taking a further significant step forward towards trade liberalization.

It is true to say that some of the negotiating groups whose reports were submitted to the Group of Negotiations on Goods by the end of last month made important progress in compliance with their respective mandates. Progress in other groups fell short of our expectations, their meagre input to the exercise in which we are engaged casting doubt on the prospects of attaining balanced results which can be acceptable to all. This applies also to the failure by major trading partners to accept to implement the commitment to rollback GATT-inconsistent measures in accordance with an agreed time-frame and allow for substantive negotiations to take place in an improved external trade environment. It is worth noting that, after more than two years since the launching of the Uruguay Round, and in spite of the calls by the Chairman of the Group of Negotiations on Goods, virtually no undertaking to rollback was notified to the Surveillance Body.

Actually, as demonstrated by updated reviews of developments in the trading system, grey-area measures continue to proliferate. Unjustifiable actions to curb imports are taken and pressures to force parties to change their legislation on intellectual property rights have become a new and worrisome feature of that system. Today, more than ever before, a clear signal must be given to the industry and trade operators that governments will not circumvent or openly violate the rules and disciplines of the General Agreement and that the safeguards régime which may emerge from the present negotiations will effectively preserve the liberalization efforts achieved at the end of the day.

There can be no doubt that effective participation by all countries in the trading system is a desirable goal that shall benefit the international community as a whole. However, in working towards that goal, due account must be taken of the need to apply the principle of special and differential treatment to those countries which for historical reasons have played a secondary rôle not only in the initiatives conceived to promote freer access to international markets but also in the exchanges regarding the rule-making and the decision-making process within the GATT. In a world where unilateralism, bilateralism and regionalism risk to discredit multilateralism in an irreversible way, all that is left for weaker economies is the rule of law as well as the possibility to protect their legitimate rights and interests against attempts by powerful partners to impair their development plans and strategies.

We have reached the middle of the road. Unfortunately, at this stage, there seems to be more cause for concern than for complacency, much more work to be done than to be appraised, especially in those areas which are central to the strengthening of the system and to progress in the Round as a whole. However, let us not shy away from the responsibility to take decisions that, in reaffirming the mandate agreed upon in Punta del Este, can facilitate the task of the negotiating groups and allow them to carry out their duties constructively. Let us also state clearly that all should refrain from adopting measures and pursuing policies whose effects run counter to the confidence-building spirit which must preside over our negotiations.