

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee
Meeting at Ministerial Level
Montreal (Canada), December 1988

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SWEDEN

Statement by Ms. Anita Gradin
Minister for Foreign Trade

I want to thank the Canadian Government for hosting this important meeting.

We have now reached mid-term in the Round. Our task here in Montreal is two-fold: first to review progress made so far; second to give our negotiators clear directions and political push to move forwards.

We have a lot of unfinished business ahead of us but - let us not forget - we have made impressive progress in both old and new areas already. The problems are identified. The political support from the GATT Members is there. The major trading nations are contributing constructively to the process. Trust is put into the GATT.

Let me turn to the key areas as I see them. First of all, the difficult issue of agriculture. Here I want to make three points. First, we need a basis for the conduct of negotiations - some sort of framework agreement based on a compromise that contains both short and medium-term measures and long-term commitments. Second, the long-term goals for these negotiations must be clear: to reduce support and increase market orientation in the agricultural policies of all participants. Third, a general freeze and possibly even a first reduction are on the cards and should be decided upon here in Montreal.

Another area where problems are emerging is trade-related aspects of intellectual property rights. Our task now is to give directions for the future work that should lead to the establishment of appropriate and effective multilateral rules and disciplines. Hereby both inadequate and excessive protection of various IPR's would be counteracted.

On services, another new issue where trade is already significant and growing, we should decide on some basic principles and rules for a framework agreement. This would lay the foundation for a broad-based, progressive, liberalization of trade in this field. A liberalization of trade in services is of paramount importance to any country that seeks sustained growth and a dynamic economy.

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In traditional areas we must show progress as well. Also in this Round substantial tariff reductions and tariff bindings among all participants should be made. We should here make a clear commitment to this effect. Goals and multilateral principles should be set up to avoid a free-for-all negotiation.

We welcome the results already achieved in the priority field of tropical products. Through joint efforts, we have demonstrated political will to liberalize trade and to implement the Punta del Este Declaration. This augurs well for our conference.

When it comes to textiles the negotiations should lead to integration of this sector into GATT. Further liberalization of trade should then be achieved. My Government has presented to parliament its intention to dismantle all import restrictions for textiles and clothing when the present MFA IV expires. This liberalization is a major contribution to the rollback process.

As for the rule making part of the negotiations - Functioning of the GATT and Dispute Settlement - I am confident that we here in Montreal will take decisions to improve the GATT and to strengthen its dispute settlement mechanism. Sweden and the other nordics have made concrete proposals in these areas.

It is imperative that the problems and the interests of the developing countries in the trade sector be given prominence. Particular attention must be paid to the developing countries' special needs for wider market access for, above all, their traditional industrial and agricultural products.

When it comes to the particular situation and the problems of the least-developed countries empty rhetoric should be avoided and concrete proposals for action be considered by us here.

The advantages of an open and robust multilateral trading system are so evident that they are all too often forgotten. Let us remind ourselves that GATT provides opportunities. The costs of protectionism are high. Protection is almost always beneficial only for a small group of producers of otherwise non-competitive goods and services.

In this context I cannot help but point to a fundamental weakness in our ability to formulate and implement rational trade policies: the low visibility of the cost of protectionism and the lack of power on the part of the consumer.

It is of vital importance that we give positive signals to the outside world. The results of this meeting must be read as a firm commitment to the Round and the global trading system on the part of every participant.