

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

MTN.TNC/MIN(88)/ST/41  
6 December 1988  
Special Distribution

Original: English

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

FEDERAL REPUBLIC OF GERMANY

Statement by Mr. Martin Bangemann  
Federal Minister for Economic Affairs

We are able today to look back at Punta del Este with a certain pride. There, two years ago, we achieved the same feat to which the Genoese Andrea Doria owed a fair part of his fame: we sailed out of the harbour against the wind.

We successfully set the Uruguay Round in motion in a difficult environment in the world economy, in a climate of weak growth and high protectionist risks.

Since then, the wind has changed. There is a fresh breeze in the world economy - with higher growth rates than ever before in the 1980s - which is filling the sails and ensuring the urgently needed support.

In order to avoid misunderstandings: the Uruguay Round is not a fair-weather event. Structural adjustment and phasing out trade barriers must not only occur when there are high rates of growth.

Because trade is a driving force for growth, this engine must of course also be made to turn faster when - indeed precisely when - weak growth prevails. This certainly takes a lot of effort, because more resistance has to be overcome. It is all the more appropriate - to retain our image - to utilize the fair wind and favourable currents now. In any case there is no cause for sitting back and relaxing, taking less care or being complacent. Protectionist dangers remain virulent, and there is the worry that some of the crew will leave the ship and try their luck on their own.

Montreal is therefore a welcome and important chance to establish where we are together, to set the major signals for the course to be taken in the future and to gather new strength. This strength must be sufficient to steer the good ship "Uruguay Round" past all the cliffs in the next two years and in the end to bring it safely into harbour at its destination with a sound cargo.

One of the important signals is that the instrument of multilateral trade negotiations proves its effectiveness and its ability to function now

. / .

at the mid-term review. The best way for it to do this is by tangible and substantive interim and sub-results. These should - as should the final package - take into account the interests of all the participants, without this painstaking inching along being allowed to become an encumbrance.

Possible interim and sub-results have already been mentioned in the Punta del Este Declaration (tropical products), whilst others derive from our common interest in the further institutional development and reinforcement of the GATT. Beyond this, there has been good progress in many other negotiating groups, and we can draw this together in a balanced package.

It should be clear that: good interim and sub-results can be ones that can be put into practice even before the conclusion of the Round. The more of these there are, the better! They can also be in the shape of clear frameworks and guidelines for negotiation which serve as a sound basis for the further talks in the second half of the Round.

We must not be faint-hearted: the success of the Uruguay Round depends to a decisive degree on the motivation, the stamina and the staying-power of the participants - and thereby also on the emphases we set over the next few days.

The new Round is a joint undertaking of all the contracting parties; everyone must take up the oars so that the commitments entered into at Punta del Este are fulfilled. By the way, this is also true for standstill and rollback, and it is in these very areas that there is some catching up to be done.

The common aims which link us in the GATT and in the new Round can be described in a few words: growth and development through more trade; investment and innovation through opening markets and removing long-practised protectionism.

This message is - in other words - already written in the Preamble of the General Agreement. In particular, the Uruguay Round is essentially concerned with a "traditional values", a "back to the roots" frame of mind. That goes for the old and the new fields of negotiation.

It is important for Montreal and the future of the GATT that a common dynamism is developed for a common undertaking, the Uruguay Round, and that thus the common interest in reinforcing the multilateral trading system - reinforcing it also through continuing its development - and in the realization of its aims is served. We must not exclude sensitive areas here.

I would like to return once more to my passion for ships and sailing. My mind turns to the old sailing instruction for Cape Horn: Make westing! Make westing! - and I would like to change it to fit Montreal and the Uruguay Round: Make progress! Make progress!