

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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FINLAND

Statement by Mr. Pertti Salolainen
Minister of Foreign Trade

First I wish to join the preceding speakers and congratulate you upon your election to the Chair. Likewise I would like to thank our Canadian host for the excellent arrangements and for the hospitality extended to us.

As we look back at the accomplishments in the Uruguay Round over the past two years we are largely satisfied. However, several important issues still remain unresolved. We recognize the need for further political guidance in a number of areas and pledge to co-operate fully to that end, and we remain hopeful that in certain areas we will also be able to reach more tangible mid-term results. All this would in our view give the world a clear signal that the Uruguay Round is moving and that it is moving in the right direction.

Since this is a mid-term review we will not draw firm conclusions about the Round as a whole on the basis of the outcome of this conference. The picture will be complete only as we approach the end of the Round in 1990. One of our main tasks must be to ensure that the process can advance smoothly and in a balanced manner towards that objective. All participants must preserve their interest in the Round also in the future.

Agriculture is one of the key issues of this meeting and the Round as a whole. We are ready to work for a useful mid-term result both with respect to long-term objectives and short-term measures. Our point of departure is that short-term action will lay the foundation for the long-term reform.

To us, the broad features of the long-term reform are already apparent on the basis of the Punta del Este mandate: firstly, agricultural support seriously distorting international trade should be reduced; secondly, world trade in agriculture should be gradually liberalized through reduced import protection and strengthened GATT rules and disciplines; and, thirdly, the adverse trade effects of sanitary and phytosanitary regulations would also have to be minimized. My Government is ready to contribute to all these objectives in concert with other participants, bearing in mind the various rôles that agriculture plays in our societies.

As there now seems to exist a good degree of confluence of views on the need to sustain and improve the present market conditions, it would be a pity if we could not agree here on an action for its realization. Concerning these short-term measures we are confident that there are several techniques, to be used alternatively or in combinations, that can effectively serve this purpose. A freeze of support levels may well be one option suitable for some; a freeze focusing on policies which have trade effects is more appropriate in the case of others. Therefore, we find a flexibility warranted. We also expect that due credit is given to measures already taken.

As to tropical products, we remain mindful of the special treatment given to them in the Punta del Este Declaration. It is encouraging that we seem to have reached here a broadly-based package of concessions to improve the access opportunities for tropical products. We hope that the same political will will lead to results in the other remaining unresolved issues.

As to textiles and clothing - another area of major export interest for many developing countries - we are confident that the Uruguay Round will ultimately lead to arrangements that will progressively integrate this sector back to the GATT. It is too early to tell now how that will be accomplished in practice but we should, nevertheless, encourage the negotiators to commence substantive work to that end from next year.

Although tariffs have been significantly reduced as a result of previous Rounds, they still play an important rôle in international trade in addition to their symbolic status as barriers to trade. Therefore, we should not spare our efforts to reach an early understanding on the main features of the up-coming liberalization and consolidation of tariff concessions with a broad participation.

In the field of so-called non-traditional issues we have been exploring territories which so far have been rather unknown to the GATT. This explains some of the difficulties encountered up to now but we are also aware of the real disagreements which still exist concerning the basis on which further negotiations should be conducted. We have, nevertheless, reached a stage where we should be able to give the guidance required to attain the negotiating objectives also in these areas. These issues, particularly those related to intellectual property rights and trade in services, are of increasing importance both to the international trade and to our own trade and to our own foreign trade. The Montreal outcome would be far from complete if we fail to give clear guidance to the future work on these issues.

Proliferation of industrial subsidies remains a source of great concern to my Government. We are not entirely satisfied with the progress made so far in this area of the Round. This will not, however, diminish our keen interest to move the negotiations forward in the framework which we will be endorsing at this meeting.

Finally, we look forward to concrete results in the institutional areas of dispute settlement and the functioning of the GATT system.

Finland sees the Uruguay Round as the best means to fight protectionism. It is a great challenge, but it also offers promising opportunities. Therefore, we wish to extend our full support for this process.