

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee
Meeting at Ministerial Level
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NORWAY

Statement by Mr. Jan Balstad
Minister of Trade and Shipping

Let me first, like other speakers, express my Government's gratitude to the Canadian Government and the city of Montreal for the warm welcome we have received when coming to this beautiful city.

Let me start, on behalf of my Austrian colleague, the present chairman of the European Free Trade Association, by making some remarks on behalf of the EFTA-countries.

The six EFTA countries, Austria, Finland, Iceland, Sweden, Switzerland and Norway are small open economies highly dependent on foreign trade and they are thus attaching crucial importance to the maintenance, strengthening and broadening of the multilateral trading system.

In the preparation for the Round, the rôle of the EFTA countries was important and they have contributed actively to the negotiating process since Punta del Este.

At their meeting last week in Geneva, the Ministers of the EFTA countries jointly stressed the importance of the mid-term review of the Uruguay Round negotiations and emphasized that substantial results here, in Montreal, would be a significant step towards a positive outcome of the Round by 1990. In a phase of increased tendencies towards regionalization and bilateralization of the world economy, it is even more important to strengthen the multilateral trading system. Furthermore, the EFTA Ministers underlined the need for a more effective integration of developing countries into the multilateral trading system. The EFTA countries will pursue their co-operation in order to contribute to a successful outcome of the Uruguay Round. Now, allow me to come back to the position of my Government.

At the half-way mark of the Uruguay Round, the Trade Negotiations Committee at ministerial level is faced with the challenge of assessing the negotiating process so far, and, on that basis, to provide political guidance and impetus to the finalization of the negotiations in the coming two years. The Punta del Este mandate reflects the most ambitious and comprehensive GATT negotiations to date. It was a demonstration of a

collective, multilateral will to pursue further trade liberalization, as well as to strengthen, adapt and expand the GATT system to the requirements of the future. Our task as ministers at this meeting in Montreal is to provide a strong signal of confidence to the effect that we have not lowered our level of ambition, and that we collectively possess sufficient political will and ability to succeed in our endeavours.

For such a signal to be credible to traders and business communities world-wide it must contain an appropriate blend of tangible results and determined political guidelines for the remainder of the negotiating process. The groundwork for a successful outcome has been done, although disturbingly many issues remain to be settled. To solve these issues, a realistic and constructive approach is called for. Expectations attached to the mid-term review should be based on the fact that we are at the half-way mark, and, accordingly, on what we realistically could achieve at this juncture. A complacent attitude on the one hand, or excessive demands for final results, on the other, would be equally unfortunate. Looking at the documentation before us and at the list of unsettled questions contained therein makes a call for realism particularly pertinent. It is against this background that I shall briefly touch upon a limited number of such questions.

Trade in agriculture is an issue on which basic divergencies exist with regard to the final outcome of the negotiations. It would be futile to brush these divergencies under the carpet, as it would be futile to expect that they could be solved in the context of the mid-term review. Still, we are all bound by the Punta del Este mandate, which contains a long-term objective of allowing market signals to play a greater rôle in agriculture on the basis of, inter alia, strengthened and more operationally effective GATT rules and disciplines. We remain ready to negotiate towards such an objective. In pursuing this objective consideration ought to be given to social, regional and other concerns such as environmental protection, food security and overall employment. At the same time, the situation in many international markets continues to be a source of concern and potential conflicts. In the view of my Government, short-term measures directed at restoring a better balance between supply and demand are called for. This mid-term review meeting offers a timely opportunity for balanced measures of this kind to be agreed upon.

In this context, freeze has been mentioned as a possible concept. Such a concept must, in our view, be understood in real terms and has to comprise sufficient flexibility both regarding aggregate support and specific policy instruments.

Bearing in mind that special attention is to be attributed to the liberalization of tropical products in the Uruguay Round - both with regard to the timing and the implementation of results - it is essential that concrete results are achieved in the context of the mid-term review. We have participated actively in the recent efforts to develop a negotiated package consisting of the balanced set of individual contributions

presented to the Trade Negotiations Committee. I would urge also all other participants - developed and developing alike - from which offers rightfully can be expected to contribute to the results in this area.

International trade in textiles and clothing has for the last fifteen years been governed by various MFA régimes. However, useful and necessary the MFA has proved to be to retain trade in this sector under multilateral discipline, my Government recognizes the opinion of exporting countries that the eventual integration of textiles and clothing into the regular GATT framework should be undertaken as soon as possible. For our part, our own bilateral agreements entered into under MFA IV have represented a clear turn in the liberal direction. Furthermore, we agree that a decision of the final dismantlement of the MFA régime - in respect of timing and modalities - should be taken as an element of the overall Uruguay Round results.

Trade problems stemming from the protection of intellectual property rights have been growing in scope and in magnitude. Current GATT provisions are not adequate to deal with these problems and there is a real risk that unless new GATT rules and disciplines are established, uni- or bilateral measures in this area will proliferate. Such a development would be most unfortunate for the multilateral trading system, and it would be particularly unfortunate for smaller countries which are relatively more dependent on that system for the preservation of their trade interests. The negotiations so far have been hampered by divergencies on the scope of the negotiations. We believe that new GATT rules and disciplines to deal effectively with trade problems stemming from the protection of intellectual property rights should include an agreed set of standards/norms, as well as appropriate enforcement mechanisms. It is within this scope that a balanced and reasonable solution should be negotiated.

Finally, let me add in a summarized fashion that we fully support the adoption of texts which would improve the dispute settlement provisions of the GATT and the functioning of the GATT system. On both scores agreement to this end should be within reach. My Government also attaches great importance to the guidelines to be provided in respect of the negotiations on trade in services as well as of the modalities to be applied in the tariff negotiations.

For the Uruguay Round to become a success, the results must include benefits to all participants. In this regard, my Government fully respects that developing countries' contributions must be consistent with their individual development, financial and trade needs. Of special importance is the particular situation and problems of the least-developed countries, the concerns of which must always be duly reflected in all areas of the negotiations.

While time is short and the list of unsettled issues long, I remain optimistic with regard to the impact which this meeting of the Trade

Negotiations Committee will have on the Uruguay Round. We may have different priorities. There may be significant divergencies of views on many topics. Still, we all share one common determination, namely to strengthen the multilateral trading system as embodied in the GATT. We decided two years ago that broad, multilateral negotiations were necessary to that end. This week in Montreal I am confident that we will seize the opportunity to provide the Uruguay Round with the political support and impetus it needs for a successful second - and final - phase of the negotiations.