

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(88)/ST/50
6 December 1988
Special Distribution

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

Original: English

NETHERLANDS

Statement by Ms. Y. van Rooy
Minister for Foreign Trade

Let me first say how much the leadership of this meeting inspires faith in a successful outcome. Let me also express my appreciation to all Canadians whose hospitality, kindness and organization cannot but contribute to the success of our meeting.

We do all share responsibility this week for the future course of the Uruguay Round and for the future of open multilateral trade itself. The Netherlands Government wants to achieve the following objectives.

First, the mid-term review must give a clear sign of confidence to the international trade and financial communities.

The Netherlands deeply endorse the ultimate goals of the GATT: liberalization of world trade. We all know that liberalization of trade in goods has brought welfare to nations. Now, protectionist pressures must be resisted, and trade expansion must be secured, for which the vitality of the open multilateral trading system is crucial. It is therefore of great importance to implement the political commitments of Punta del Este with regard to standstill and rollback.

Second, agriculture has too long remained beyond the ambit of effective multilateral trade rules. I represent the second exporting country of agricultural products in the world, after the United States. The objective for us is greater liberalization. We cannot hide behind words anymore. It is imperative to define concretely and precisely how we want to achieve our goals.

To me it is obvious that greater liberalization not only means that we limit substantially support that directly and indirectly influences trade, but it is also essential that we all accept more access to our markets. Rules have to be established in such a way, that greater trade liberalization will be realized. We must also accept that greater liberalization needs an adaptation of agricultural policies. The outcome of this mid-term review must at least lead to clear guidelines for our negotiators for the second half of the Uruguay Round. We also must do our utmost to bridge the existing gap between the major parties. This is only possible if we do not stick to our initial position. In my view it is clear that a zero option in agriculture is not realistic.

Third, charting the future. Trade in services has become such an integral part in the world economy that it would be a failure if a framework governing trade in services were not established. The mid-term review must give clear direction and added impetus to the effort in this area.

The same counts for the area of trade-related intellectual property, where we have to find a balance between protecting the legitimate rights of owners of intellectual property, and general access to know-how.

Fourth, the GATT is an essential instrument to economic growth for all countries, and especially to developing countries.

This Round of multilateral trade negotiations significantly differs from previous rounds, in that developing countries play an essential rôle in various fields. This change of the character of the GATT negotiations is very much welcomed and stimulated by the Netherlands. It means that GATT as a world organization really serves the interest of all trading nations.

Developing countries that have shown impressive growth in their share of global trade have to accept more obligations under the GATT system. However, not all developing countries could profit equally from world trade growth. Therefore we should pay special attention to those countries that lagged behind. I welcome the result that has been reached within the sector of tropical products yesterday morning, although I deplore that, indeed, very little has been achieved for the least-developed developing countries.

Fifth, we all agreed on steps to strengthen the working of the GATT system and the GATT as an institution. We should follow this up with specific decisions.

The economic environment and the negotiating climate of the Uruguay Round are conducive to progress. Trade is expanding at an annual rate of 5 per cent and output is growing at 3 per cent. The adjustment process necessary to correct imbalances has taken hold. Trade policy in general is being conducted in a disciplined manner. Against this background, we must grasp the opportunity of the mid-term review to contribute to the solution of outstanding problems.

Challenges to be met stem from Third World debt, current account imbalances of leading trading nations, unemployment in many countries and resurgence of inflation. Contraction of trade will exacerbate these problems.

We are in a window of opportunity. Good developments now outweigh negative elements. We must build on this foundation by asserting the dominance of open trade and the multilateral principle at this mid-term review. For if we do not, inward-looking tendencies will gain credence.

We cannot let failure in Montreal undo what has been achieved so far.

Let me finally address briefly the issue of 1992. The great challenge for the twelve EC countries is to get rid of their internal barriers by completing the internal market.

In the Netherland's view the goals of this European integration process run parallel to the goals of the Uruguay Round, i.e. further liberalization of international trade on a multilateral basis. Let me be clear about our position. For me it is beyond question that the single market will be an open market. It is as much a challenge for third countries as for the EC countries to benefit from the economic growth that will result from this dynamic European integration process. Let it be a pointer for other countries equally to open their markets.

May I conclude by saying that if wisdom and courage guide our deliberations we shall this week confirm and strengthen the broad vigorous dynamic partnership under the GATT, which is so essential to our prosperity.