

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Montreal (Canada), December 1988

MALAYSIA

Statement by Mr. Datin Paduka Rafidah Aziz,
Minister of Trade and Industry

On behalf of myself and members of the Malaysian delegation, I would like to thank the Canadian Government for the warm hospitality extended to us in this very cold, sub-zero, freezing environment.

Without a doubt, this Montreal meeting will give the necessary indication as to the way in which the Uruguay Round will proceed in reforming world trade. And therefore, we, as decision-makers should not merely continue to talk of political will, but rather should exert that political will for common good.

I would like, at the outset, to congratulate the Chairman of the Tropical Products Group, and the negotiators involved, for having come up with a package that can be accepted. This certainly augurs well for the meeting, because tropical products have been acknowledged as holding the key to the success of the Round itself. At least, here in Montreal, we are beginning to reap some of the long-anticipated early harvest.

However, we hoped that more contracting parties would come on board this package with offers, to make it more meaningful. Such a package would provide the basic framework for further negotiations on the liberalization of trade in tropical products in the Uruguay Round.

However, at this point of time the same thing cannot be said for agriculture, as we know there still seems to be massive mental blocks in the way of compromise and goodwill. We have continually urged the large players to display the necessary flexibility, and to not allow narrow parochialism constitute a barrier to the greater liberalization of world trade.

It appears to me that some players not only ask for too much and offer too little, but in effect say too much and do nothing. In short, they are sometimes asking for everything and offering virtually nothing.

Thus we need to see changes in attitudes and a greater sense of responsibility prevailing. We cannot continue to see the unwarranted

linkage between negotiations on tropical products and agriculture and negotiations on the other issues. Such a linkage will only result in a vicious circle effect on the entire negotiating process in the Uruguay Round.

Let us resolve agriculture in a manner that takes into account the interests of both developed and developing countries. After all, agriculture has been a matter for discussion for a long time. We look forward to the longer-term time-frame of reforms in agricultural trade, as it is important that, over the longer term, we see the dismantling and elimination of trade-distorting subsidies and programmes.

But we also want to see something in the short term, particularly from developed countries, that indicate a commitment to freeze and substantially reduce all trade-distorting subsidies, besides providing greater market access.

It must be recognized that the longer term must necessarily begin with the first few immediate steps in the short term.

However at the moment we find ourselves dealing with semantics. We continue to argue whether we want to reduce or eliminate trade-distorting subsidies and protection in the long run. If we choose to merely reduce the levels of such trade distortion, then in effect we are saying that we will continue to have trade-distorting subsidies and programmes, albeit of a lesser degree.

There is no doubt that trade-distorting elements will remain just that, i.e. trade-distorting, which in itself is untenable and the antithesis to a more liberal international trade régime and greater market access - no matter how low a level of subsidy.

The choice is clear - complete elimination in the long term, but with reductions along the way.

We cannot have any form of trade-distorting support and protection. However, countries, big or small should be free to keep their support programmes for as long as those programmes are not trade-distorting.

I have just come out from the Negotiating Committee on Agriculture and we have just heard the United States categorically state that they will accept nothing short of long-term reforms. That means we have just moved back to square one.

It is important that in our ongoing negotiations, every participant touch base, and agree on the basics and on the principles that have profound effect on world trade. We perhaps can differ on the details and therefore we can continue to negotiate on these in the spirit of give and take.

By the end of this meeting we will have had more than fifty speeches made by Ministers, and each and every one talking about the same issues and about the urgency of the situation. Mine will be one of those speeches.

I sincerely hope that we are all listening to each other. Otherwise we will have the sad situation of everybody talking and very few actually listening. We seriously need those who matter to listen more intently and to react with the necessary positive reaction, as would befit those who call themselves economic leaders of the world.

Malaysia, within ASEAN, will continue to assume our rôle with responsibility. ASEAN may not as yet be construed as a world economic power. But we are a grouping of 280 million people. So we did not come here just to make speeches. We also wanted to be listened to, and to contribute.

You stated in your opening remarks that we are Ministers who are responsible for decisions that are made, and decisions that are not made.

Let us make decisions, in Montreal, and in the Uruguay Round, that are of benefit to all, no matter how unpopular they are, and let us not make those decisions that no one wants anyway. And let us give the correct directions for our negotiators in Geneva so that we can come to satisfactory resolutions to some of the contentious issues still on the table.