

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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COMMISSION OF THE EUROPEAN COMMUNITIES

Statement by Mr. Frans Andriessen,  
Vice-President of the European Commission

We are gathered together this week with the object of concluding the largest trade negotiations in history.

I hope that we shall succeed in showing that we are equal to the challenge of a mission which, faced as we are with an impending threat of world economic crisis, is today more crucially important than ever.

Four years ago in Punta del Este we declared that we were ready to open our markets, to strengthen the rules and disciplines of GATT, and to work out - on the model of the General Agreement - a multilateral framework to govern trade in services. For its part, the European Community has not withdrawn one inch from these commitments.

Throughout these negotiations the Community has indeed sought to have markets opened by all participants as widely as possible: the ambitious approach that we have adopted - and pressed on others - in the tariff negotiations is a more eloquent demonstration of this than any words or slogans. Neither have we drawn back from liberalization in those sectors that are sensitive for us. A 30 per cent reduction in internal agricultural supports, together with an offer to convert the present EEC system of variable levies into tariff equivalents, and to reduce import protection by an amount which reflects the reduction of internal support represents a decisive step and constitutes an offer which is a perfectly valid basis for reaching agreement on agriculture. On this crucial sector of the negotiations, let me add just this: eventual agreement will clearly have to be part of the overall global package and this requires all of us to be ready to make sacrifices in all fields. The EC is among those who are pleading for integration of textiles into GATT. This objective seems to be within reach, but we must be careful not to jeopardize the work already achieved.

For markets to be opened in a healthy vigorous way, the process must take place under the umbrella of effective rules and disciplines. Market opening is no longer rational if one is denied a reasonable instrument for defensive trade measures: it is suicidal if one is unable to deal with a

situation that could not be foreseen. This theme of strengthening the GATT rules and disciplines - as developed by the Community in the context of textiles liberalization - has become the dominant strand of our approach to that sector of negotiation. And, if - as we believe - effective rules are the indispensable complement to liberalizing, then he who wants greater opening of markets must also want the best possible rules.

It is because of this general attitude to trade liberalization that the Community has worked to establish multilateral rules in the areas of intellectual property and of investment measures. Sheltered by sound rules both the flow of technology and the flow of investment funds can be accelerated. And it is of course first, a liberalization - and, going on from that, an expansion - of trade that we are looking for from the conclusion of a solid agreement in the services sector. And if I have said a "solid" agreement it is precisely because I am counting on further substantial progress being made on this subject in the course of the coming week.

As we now prepare for the conclusion of the Uruguay Round, we are faced with a veritable kaleidoscope of opportunities. I cannot say that I have found all of the Community's objectives included in the document before us in the way that I would have wanted. After four years of work the result of the Round is rather far removed from the grand blueprint for liberalization which the Community had had in mind. But I feel certain that each and every one of you today is sharing in the same disappointment: that of not having achieved one or other of our cherished objectives.

Nevertheless, I do believe that we can still, this week, put together a package which is a real reflection of the interests of all of the participants. And I underline the word "all" because there have been attempts - only too often - by certain people to convert this negotiation into a major North-South clash, which it cannot be if we take account of everyone's interests.

It cannot be gainsaid that those of the participants here which are still in the process of development have certain specific interests. On each occasion when this was possible the Community has therefore made an effort to take this factor very much into account. And in this spirit, I would wish to propose that - just as we did in Montreal - we should anticipate on the overall final result and commit ourselves - all of us - to further improve our offers on tropical products. The Community for its part is today putting forward its own new offer on these products which, we are well aware, are of major importance for the developing countries.

If, therefore, I take it as quite normal for developing countries to emphasize their special interests, I also consider that it is, on the other hand, fundamentally without any justification for them to claim that the Uruguay Round will bring them no benefit. Indeed, if these countries have been such active participants in the negotiations - for the first time in GATT's history - it is because they know well how much advantage they will gain from their integration into a multilateral trade system which is both

open and strong. Participation in that system does of course require that each takes a part of the global responsibility. In order to play the full part in it which is their due, developing countries will have to respect the rules of the system - and I mean all the rules - and contribute to the opening of markets within their abilities to do so. They will not be willing to do this under pressure and faced with threats. But they will do it because it is in their own medium and long-term interest.

The benefits of the Uruguay Round will indeed be felt in the longer term, not only for developing countries but for all other participants. Just as it has taken forty years in GATT to achieve the high degree of freedom of trade in goods that we enjoy today, so the services agreement that we hope to conclude will lead to a progressive opening of markets during the years to come. And full freedom of trade in textile products can only come after a period of transition. And to carry out the reform of world trade in agriculture that we are preparing for ourselves is, once again, a task that will take some time.

Against this longer-term perspective we do need also better financial and monetary stability. All of our efforts for growth in world trade can be undermined, even destroyed, by instability in those twin sectors. We have a unique chance in the Round to assert how important that point is for us, charged as we are with the future of international trade.

A multilateral trade negotiation of major importance is not an undertaking to be assessed on a short-term basis. This exercise, designed to discipline world trade in the 1990s and beyond - into the next century - can only be judged for its long-term effect. So we should not allow ourselves to be led astray by the fact that all is not possible, all at once. Immediately, today - whether in textiles or in agriculture or in services. Mr. Chairman: the Brussels Conference is not the end of the journey, merely a milestone on our common road. The result of our labours, if it is to endure, requires also a touch of realism and of patience: as the poet says "slow and steady wins the race" or, if you prefer, "he sows hurry and reaps indigestion".

The Uruguay Round can still create a result that is beyond all precedents. We have to give it - and ourselves - that chance.