

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee  
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SINGAPORE

Statement by Mr. Mah Bow Tan,  
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1. Four years ago at Punta del Este, trade ministers launched the Uruguay Round with an ambitious programme:

- to reduce barriers to trade in all goods;
- to codify new rules on international trade in services;
- to strengthen GATT disciplines to ensure fair and open competition.

2. After four years of intense negotiations, the results that are placed before us are less than encouraging.

First, there have been no substantive results in the market access negotiations especially in goods of export interest to the developing countries. Our failure to adopt a formula approach in the tariff negotiations has accounted much for this unsatisfactory state of affairs, but often we were told that the reason was because the agriculture negotiations have yet to take off.

Second, there has been an imbalance in the demand for instant results in the new areas particularly in TRIPs and TRIMs at the expense of the more important task of opening up market access and improving GATT rules on competition.

Third, there has been a lack of will in strengthening GATT disciplines on the imposition of countervailing duties and anti-dumping measures. On the contrary, there have been efforts to redefine such rules in order to provide more leverage in protecting sectoral interests. There is insistence to alter the safeguard rules in order to allow the importing country to impose safeguard measures only against a selective few instead of applying the measures to all on a non-discriminatory basis. This is tantamount to legitimatizing in GATT such grey area measures as voluntary export restraints.

3. If these efforts succeed, we see the danger of market access concessions negated by arbitrary imposition of protectionist measures. They would distort investment flows, and create uncertainties for legitimate trade.

4. As a trading nation, Singapore attaches great importance to achieving results in strengthening GATT disciplines on countervailing duties and anti-dumping measures to ensure that they are not used as a protectionist instrument and a harassment against legitimate trade. The MFN principle in safeguards measures should be maintained. The results of the Uruguay Round are meaningful to us if these two elements are achieved.

5. We are now at the final stage of the Round. Ministers are confronted with the daunting task of having to decide on a multitude of key issues that are not yet resolved by our negotiators.

6. Like all other countries represented at this meeting, we have all benefited from the principles of the multilateral trading system enshrined in GATT. Though they have served us well, these principles are by no means perfect in the way they have regulated world commerce over the last forty years. To enable world trade to progress further without the threat of trade wars, the Uruguay Round must produce a package of results which can sustain growth in world trade for the next ten to twenty years.

7. Ministers will recall that there was much lobbying among the CONTRACTING PARTIES on the coverage of the Uruguay Round at its launch. Led by the United States, there was a move to include new areas into the Round. There were countries taking extreme positions to exclude these areas. Singapore participated in the launch of the Round with a constructive approach. We took a moderate position on this. There were areas of negotiation for which we would prefer to have been left out of the Round. But we co-operated where it was crucial in seeking consensus and in order that we may have as wide a participation as possible. We joined in the process to get the Round launched, encouraged others to come on board and collaborated to give it the necessary impetus at its Mid-Term Review. This was important because together with a community of small nations highly dependent on trade, we wanted the trading rules to be made open and fair, to inject greater competition in world trade. We wanted an overall package for the Round which could help sustain the international trading system.

8. However, four years later, the Round is coming to an end with a major impasse on agriculture. We are aware that the issues before us are more convoluted and have more far-reaching consequences than would have faced negotiators in previous Rounds. As a free trading nation, we believe that trade should not be distorted by subsidies and that the principle of comparative advantage should dictate the flow of commerce. However, we recognize that there are political considerations that the EC faces. We therefore urge the EC to improve its offer on agriculture in order that the Brussels process can be unblocked, and to minimize subsidies if they cannot be removed. There will be a political cost to be paid. However, this cost cannot be higher than the cost that a failure of the Round will inflict on the world trading system. The USSR and several East European countries are today restructuring their economies. The political cost of such moves is high. But they pay this price in order that they may join the community of free market-oriented economies. There is a lesson we can learn from these countries to see that the rewards of success overwhelm the costs of changes.

9. There is still scope for a comprehensive package to be put together which can bring substantive results. However, unless there is political will to shrug off the demands of protectionist interests, and unless Ministers make the right decisions in the next few days, we would all share the consequences of our own misjudgments. The failure of the Round will haunt us for a long time to come.