

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee
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JAPAN

Statement by Dr. Taro Nakayama,
Minister for Foreign Affairs

On behalf of the Government of Japan, I should like to extend my sincere congratulations to you for your assumption of Chairmanship of this Ministerial meeting.

I should also like to express my profound respect and gratitude to the Government of the Kingdom of Belgium and the Commission of the European Communities and also to our Director-General, Mr. Arthur Dunkel and the GATT secretariat for organizing this meeting.

Three prominent changes appear to be underway in the world today.

First, the remarkable transformation from the centralized, closed economic system towards an open, market-oriented system in Central and Eastern Europe and other areas. Second, the intensification of the dynamic interdependence in the world economy. Third, the heightened interest in the open, market-oriented economic system among developing countries.

All of these changes, I believe, prove that the GATT system was right in establishing the universal "rule of law" in the world of international trade for more than forty years. The success of the Uruguay Round would continue to provide a stable foundation to such eminent developments.

We are at a historic crossroads. Whether this ambitious and far-reaching undertaking aiming at the reinvigoration and reconstruction of a multilateral free trading system for the 21st century should succeed depends upon our joint efforts this week. The spirit of co-operation demonstrated at the Ministerial meeting in Punta del Este some four years ago is again called for. While it may not be easy to find solutions to the problems left before us, we, as Ministers, should carry out negotiations from a broad perspective.

I should now like to touch upon what we should achieve here in Brussels.

First, we must reinforce the existing GATT rules and disciplines, whose seams appear to have become loose in more than forty years since its establishment. Japan, as both a major exporting and importing country, believes that this task should be given first and foremost priority.

Without credible and effective GATT rules and disciplines, the improvement in market access that we achieve in this Round would be shaky, and therefore, could adversely affect the sound development and expansion of the world economy.

As for dispute settlement, we should, first of all, reconfirm that we abandon unilateral measures and their threats inconsistent with GATT, that render the present system unstable. When this is attained, Japan is ready to give positive thought to strengthening the automaticity of the Panel procedures.

As for safeguards, let us establish a multilateral framework based upon the non-discriminatory principle, abolish all measures inconsistent with such framework and thereby enhance our confidence in GATT.

The strengthening of the current rules is also required in such areas as anti-dumping, subsidies and countervailing duties, and rules of origin.

Secondly, we are here to establish rules in the so-called new areas so as to keep abreast of the remarkable expansion and development of world trade.

In the area of services, we should establish, at this Meeting, a multilateral agreement based upon the principles of free trade and non-discrimination and lay the foundation for trade in services to expand by leaps and bounds. In this connection, I should like to take this opportunity to announce that Japan has tabled its initial offer which it believes will contribute to advancing services negotiations and that it has also co-sponsored a draft financial service annex as a basis for discussions.

Adequate international protection of intellectual property rights affords a basis for the development of intellectual creativity, both in developing and developed countries. Moreover, it is important to place the protection of intellectual property rights under the appropriate GATT disciplines since their inadequate protection creates trade distortion.

As for Trade-Related Investment Measures (TRIMs), it is important to establish rules to prevent trade-distorting effects of these measures, in view of the increasing flow of transnational direct investment. Therefore, I believe that it is essential for us to agree in this Round upon the effective rules in this area.

Thirdly, we must further improve market access opportunities and pursue a truly free trading environment without barriers.

Japan is fully aware of the interests of other countries, developing countries in particular, concerning the improvement in market access areas. Let me assure you that Japan is ready to make a most possible contribution.

As regards textiles and clothing, we should agree upon the integration of textile trade into GATT, thereby providing a stable trading environment for every textile trader.

Lastly, as for agriculture, which is both an important as well as a difficult area, let us seek a realistic solution towards the achievement of the goals enunciated at Punta del Este Declaration, while giving due consideration to the Mid-Term Review Agreement, special characteristics and multi-faceted rôle of agriculture and the interest of both exporting and importing countries. Of course, Japan, being the world's largest and most stable net importer of agricultural products with an extremely low rate of food self-sufficiency, will actively take part in the negotiation towards reaching an agreement.

I should like to add that Japan appreciates the positive participation of developing countries in this Round, who not only offer improvements in market access opportunities including tariff reductions, but are also actively engaged in the negotiations in the rule-making areas as well as in the new areas. I welcome their further contribution at this Meeting. In this regard, I hope we will see progress in the issues relating to the "Balance of Payments Articles".

There is one thing that we must not forget as we take part in negotiations in the individual areas. That is to say, we, here in Brussels, are fighting against our common enemy called protectionism. Protectionism is demonstrated under the alias': unilateralism, bilateralism, closed regionalism, sectorism, and managed trade policies. We should win the war against protectionism, by successfully concluding the Uruguay Round, and contain protectionism as we approach the 21st century.

We bear a great responsibility for the future of the world economic and trading system. Let us exert our utmost efforts for the success of the Meeting, recognizing the fact that every decision we make will be under close scrutiny of future historians. I should like to conclude by assuring all participants that Japan will do all it can for the successful conclusion of the Meeting.