

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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ASEAN COUNTRIES

Statement by H.E. Dr. Arifin M. Siregar,
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I have the honour to speak on behalf of the delegations of ASEAN contracting parties - Malaysia, the Philippines, Singapore, Thailand and Indonesia.

With a few days left in the Uruguay Round, we are being confronted with a crisis situation, mainly attributed to roadblocks put up by the majors. There are no clear packages for agriculture and textiles. Substantive negotiations on market access are hampered by the multitude of conditionalities in the offers, and also by the absence of a solution in agriculture. There has also been a singular lack of political will to strengthen GATT disciplines on countervailing duties and anti-dumping measures. We are still uncertain whether and why some major countries are not yet committed to the fundamental GATT principle of m.f.n. in trade in services.

Unless we resolve these problems in the next few days, it would not be an exaggeration to say that the decay of the multilateral trading system has begun.

ASEAN is a large and fast-growing economic region of about 300 million consumers, producers and traders of goods and services. The next century will see an even greater rôle for ASEAN in the world economy. That is why we have been participating in the Uruguay Round with a positive attitude. Our future lies in the continuation of an open and fair world trading system, which guarantees that countries could pursue their development objectives by doing what they can do best.

We are committed to an open, viable and durable multilateral trading system. This explains our continued commitment to undertake the necessary domestic reforms, often at great cost in the short term, involving major political risks. We are willing to assume a greater share of responsibility in such a system, provided that the rules are fair and equitable. This is why we have made serious efforts and done our fair share in the process of negotiations.

A significant and meaningful result in the market access area must be achieved if we are to be credible in our intention of stemming the tide of protectionism. ASEAN has made significant, positive and unprecedented contributions with regard to tariff reductions and bindings. In addition, we have unilaterally undertaken liberalization measures which have benefited our trading partners.

Regrettably, these contributions have been met with a lack of enthusiasm by our major trading partners. Furthermore, we find ourselves being subjected to unrealistic conditions and demands such as full reciprocity in the tariff negotiations, and the issue of access to resources in the case of natural resource-based products. On the other hand we have yet to see concrete moves to eliminate tariff peaks and escalations, as well as a sincere response from our trading partners on products of key interest to us, particularly tropical products.

ASEAN calls on its major trading partners to make good their offers now. We urge them to cease making unrealistic demands and conditionalities and accord the credit and recognition for all unilateral liberalization measures which we have undertaken.

On textiles and clothing, we stress that a meaningful result in this sector should be a vital component of the Uruguay Round package. There should be full integration of the textiles sector into GATT at the end of an appropriate transitional period, which in ASEAN's view should be around the year 2000.

The integration process should be credible. Greater and more progressive growth rates could also be a simple, effective and predictable way to phase out the MFA restraints. The procedures and criteria for invocation of transitional safeguard measures should be more stringent than what we have under the MFA.

While ASEAN also believes in strengthened GATT rules and disciplines in the context of the whole Round, we see the danger of an interpretation of strengthened GATT rules and disciplines which would have the effect of delaying, or even derailing the process of integration.

Agriculture faces a serious problem because major trading partners have not displayed the political will necessary to achieve the substantial and progressive liberalization of a very critical sector which has operated outside GATT for so long. They have introduced a multitude of protective elements including those which only increase trade barriers. Furthermore, the concept of rebalancing is not acceptable to ASEAN and to many developing countries. We therefore call upon our major trading partners to be more forthcoming on commitments to achieve the objectives of the negotiations. We will not be able to successfully conclude this Round without a substantial outcome in agriculture.

The impasse in the negotiations on anti-dumping, subsidies and countervailing measures and safeguards is viewed with great concern by ASEAN. The proposals by the majors to further expand the scope and application of anti-dumping and countervailing rules, will lead to greater trade restrictions, harassment of legitimate trade and the use of these instruments as a protectionist tool. This runs counter to the objective of achieving greater trade liberalization in the Uruguay Round. If the arbitrary use of anti-dumping and countervailing measures and other novel non-tariff techniques is not controlled, it will negate the efforts of the repeated rounds of multilateral trade negotiations.

Anti-dumping is a very important element of the whole Uruguay Round package, and thus there must be meaningful results on this issue in this Round. Our objective is to restore the balance in the present Code and to bring back what was originally intended by the Code. We must work to ensure that a text could be negotiated to cover our concerns. If there is no outcome in the anti-dumping negotiations, the alternative would be for countries to resort to more dispute settlement cases to redress existing anti-dumping malpractices and abuses.

On subsidies and countervailing measures, ASEAN is especially concerned about proposals to prohibit certain subsidies, in particular domestic subsidies which are used as instruments for social and economic development. Our governments should not be prohibited to use these measures, as they are not trade-distorting but are intended to promote and enhance investments for purposes of socio-economic development. We are disturbed that disciplines are to be imposed on industrial subsidies while major trading partners refuse to undertake similar disciplines in agricultural subsidies. ASEAN further emphasizes that clear-cut countervailing rules are crucial for the attainment of fair and predictable trading rules.

Negotiations on safeguards have turned into attempts to erode the m.f.n. principle. We maintain that safeguard action must be undertaken under the principle of non-discriminatory m.f.n. and not selectively. Safeguard action is only intended as a temporary defence against sudden increases in imports which cause injury to domestic producers; they should not become protectionist measures against competitive imports. Existing grey-area measures should be phased out or brought into conformity with GATT within an agreed time-frame. New grey-area measures should not be allowed.

ASEAN reiterates that there is no need to clarify the balance-of-payments provisions as there is nothing fundamentally inadequate with such provisions.

On the new issues, ASEAN has taken an open-minded attitude. We have been willing to discuss and negotiate with the demandeurs to meet their concerns as well as ours. However, we have repeatedly emphasized that we look upon the new issues in relation to our development needs. The provisions in the new areas must not undermine our development objectives.

In the field of TRIPs, developing countries are asked to undertake obligations for the protection of intellectual property rights. We note that there remain wide divergences of views which include issues sensitive to ASEAN. ASEAN wishes to underline the importance of curbing the unilateral interpretation of what constitutes effective intellectual property rights protection. We are equally strongly committed to the concept of public interest, and the need to preserve the integrity of our domestic legal systems. Furthermore, we cannot accept the imposition of unreasonable and burdensome enforcement requirements. Finally, the transition period in the agreement must fully take into account the trade, financial and development needs, as well as the administrative capabilities to implement a TRIPs agreement, of developing countries.

On TRIMs, we stress that investment measures are principal instruments of development for developing countries. They are vital to the success of our economies. We therefore, cannot accept prohibition of TRIMs based on presumed trade effects.

ASEAN recognizes the complexity of the issues in services. We have been active and constructive in our dialogue and negotiations with our trading partners. However, as we undertake to take the political decisions to come to an agreement in services, we wish to highlight the issues, though not exhaustive, which we regard as important. It is fundamental that a framework agreement in services must contain m.f.n. as a general obligation. Also, no sector should be excluded from the agreement. Should there be a derogation from the m.f.n. principle in any of the services sector, it must be temporary in nature. Exceptions to the general obligation should be allowed among others for national security and public order purposes.

We want the Uruguay Round to succeed as we are committed to an open world trading system. ASEAN will not accept any deal agreed among a few countries. We insist that any final package must be balanced, taking into account the needs and concerns of ASEAN.

There are enormous difficulties ahead of us. We must not allow the Round to fail. If it fails, it will only intensify unilateralism and bilateralism which jeopardizes an open world trading system to which we are all committed.

Let us all then proceed with firm determination to preserve the multilateral trading system.