

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

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Meeting at Ministerial Level
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THAILAND

Statement by H.E. Mr. Amaret Sila-on,
Minister of Commerce

1. When the Uruguay Round was launched in Punta del Este four years and three months ago, it was hailed as the most complex and ambitious programme of negotiations ever undertaken by GATT. We were congratulated by the world community on having achieved, despite the protectionist environment which prevailed in those days, a very comprehensive agenda for negotiations - an agenda which provided for the first time a possibility for real and substantive negotiations on agriculture, a possibility for a substantial reduction in tariffs and non-tariff measures, a possibility for integration of the textile and clothing sector into the GATT, a possibility for a major overhaul of trading rules, and last but not least, a possibility for developing multilateral rules on the new issues of intellectual property, investment measures and trade in services.

2. It is ironic that as we gather here in Brussels we are still not in a position even to imagine what the conclusion of the Round will look like. In fact, many of us in this hall and outside are wondering whether we will be able to conclude the Round at all. We are in a real deep crisis! This crisis has been looming for quite some time now and could have been avoided had there been enough political will especially on the part of the major countries. Instead, what we see on the one hand is the lack of ability or willingness by a group of major trading partners to honour their obligation with respect to substantial progressive reductions in agricultural support and protection, and on the other, the last minute proposal by another major trading country to remove the most-favoured-nation principle from the general obligations of the emerging General Agreement on Trade in Services.

3. As a small open economy whose future is tied up with the health of the multilateral trading system, Thailand has participated constructively in the negotiations on all major areas. But it is clear that agriculture is the single most important issue to Thailand. When we talk about agriculture, we may be talking about different things in different countries. In the developed world, one is likely to talk about protecting the living standards of farmers which is usually already high. But when I talk about agriculture, I am talking about human decency itself. I am talking about 30 million human beings in my country whose lives have been in abject

poverty, generation after generation, significantly as a result of agricultural practices and policies of some countries in the developed world which have resulted in a depression of world prices far below their legitimate levels. I am talking about 30 million human souls who sometimes cannot even provide enough food for their children, let alone basic education which could pull their children out of the vicious circle of poverty and ignorance. So, their fate is doomed! To me, the Uruguay Round will be a complete failure if there is no agreement which could lead to a substantial rise in the standard of living of farmers in the developing countries including Thailand.

4. Turning to a more specific issue in the field of agriculture, although I sympathize with those countries which are concerned with the problem of food security I must emphasize that food security cannot be equated with self-sufficiency. I can accept that a responsible government should take reasonable precautions to ensure that there is sufficient basic foodstuff in times of emergency. But these measures cannot remain immune from international discipline. For example, a level of market access should be allowed with a built-in growth factor, and internal support should be subject to reduction perhaps at a more gradual rate than other products.

5. I wish to contrast this with another problem which has far and wide implications on mankind - that is the issue of illicit narcotic crop substitution programmes. Since the returns on illicit narcotic crops are extremely high, programmes to persuade growers of these crops to shift to normal cash crops will never succeed unless the government provides adequate financial and other support for these programmes. Any agreement on agriculture should allow for this flexibility.

6. My colleague from Indonesia stressed in the statement which he made on behalf of ASEAN, to which I fully subscribe, that ASEAN has made significant, positive and unprecedented contributions with regard to tariff reductions and bindings. In the case of Thailand, the Uruguay Round is the first round of multilateral trade negotiations in which we have participated in our capacity as a contracting party to the GATT. Yet, we have strived to make our best possible contributions to the negotiations. Our final offers cover 3,058 tariff lines which represent approximately half the total number of lines in the tariff schedule. These cover agricultural products, textiles and several industrial product groups. In terms of trade value, they represent about US\$7 billion or about 30 per cent of Thailand's total import value in 1989. What is more important is the phenomenal increase in the scope of bindings. On the Harmonized System basis, our present bindings cover 190 tariff lines or roughly 3 per cent of the total tariff lines. Our offer will boost the number of bound tariff lines to 3,058 or nearly 50 per cent of the total. Simple mathematics shows that the number of bound tariff lines will increase 16 times within one round of negotiations. We are deeply discouraged, therefore, by remarks that our offers are still inadequate. Indeed, our authorities are beginning to feel that we are too generous in offers.

7. On that issue of TRIP's, my delegation will be able to accept the final outcome of the negotiations only if it contains the following basic elements which have already been agreed upon at the Mid-Term Review Meeting, namely, that it should encourage the fullest participation of contracting parties, should take into account differences in national legal systems, and should provide for the promotion of underlying public policy objectives of different national systems.

8. My country is already very liberal with respect to trade in services. We are in a position to accept the General Agreement on Trade in Services with a universal coverage of service sectors and which contains the most-favoured-nation treatment as a general obligation, provided that there is a satisfactory overall balance in the Uruguay Round package.

9. Before I conclude, I wish to raise a point which is vital to the credibility and effectiveness of the multilateral trading system. We must seek a firm commitment from all participants in this Round that they will abide by the multilateral system and procedures for dispute settlement, and strenuously avoid the use of unilateral or bilateral pressures. Furthermore, they should also make it a point of honour to refrain from inventing pretexts for trade harassment or trade restrictions in the guise of environmental protection or preservation of natural resources, as is being practised by certain developed countries.

10. In conclusion, I wish to offer my delegation's sincere thanks to the people and government of Belgium for hosting this historic meeting, and for the excellent facilities provided.