

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

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Meeting at Ministerial Level
Brussels, December 1990

ICELAND

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When this Round was launched in Punta del Este it was clearly understood that the stakes were high. Either the multinational trading system would be modernized, strengthened and expanded into new areas or it might collapse. We made a choice. We decided to protect the system and improve it.

Now, four years later, we basically face the same alternatives. A failure here and now to implement our commitments would certainly erode confidence in the multinational trading system with grave consequences. This very fact should be our point of departure during this meeting.

For a country like Iceland the choice is obvious. The largest trading partners always find a way to take care of their interests. The smaller and medium sized countries have mainly international agreements to rely upon.

In fact the choice is clear to all participants, since the multinational trading system has proven to be a forceful vehicle in carrying forward economic growth and prosperity. I venture to say, that however hesitant some participants were in former rounds to lower their barriers to trade, they found out in the end that it was really to their advantage. The same will come true in the Uruguay Round. Even the hardest decisions will in the end bring benefits to those most reluctant.

Still, progress in the negotiations is difficult to achieve. We have a tendency to concentrate on what we see as concessions. The dilemma is that the political sacrifices are immediate and painful, while many of the gains are gradual, incremental and widely spread. If we are to succeed, we must properly appreciate the long-term benefits.

The road from Punta del Este to Brussels has been long and difficult. Looking back we can see that enormous work has been carried out. Still the hardest part is left, and the overall picture as yet is unsatisfactory.

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Major stumbling blocks remain which hinder a successful outcome of the Round. It is the task of this meeting and the Ministers gathered here to make the necessary decisions to lead the negotiations out of the present impasse.

In agriculture, there is a great divide between the major participants. It is vital for the Round that there be a meeting of minds in that field if there is to be progress in others. Obviously a middle ground has to be found between the two extremes. Negotiations to this effect must be conducted in full sincerity. Iceland is here to negotiate and is prepared to participate in such a process and contribute towards this end.

Fundamental differences also remain in services. Settling those differences is essential since we here touch upon one of the challenges we face in making the GATT system more responsive to the evolving nature of international economic relations. A framework of rights and obligations for trade in services along with a trade liberalization mechanism are integral ingredients in enhancing the credibility of the multilateral trading system.

In the market access negotiations the results fall short of the stated objectives. Many of the offers are clearly inadequate. Iceland has tabled an offer in line with the agreed negotiating objective. To my country trade in fish and fish products is of fundamental importance. The offers from other participants in this particular area are, however, still clearly unsatisfactory. The policy of the EC regarding linkage between trade and access to resources has blocked progress in this field. This is of course a matter of great concern to many participants. The isolation of the Community in this matter must persuade it to review its policy and give up this obsolete point of view. On the other hand we appreciate that through bilateral talks we have received from a few participants indications and offers of some improvements in lowering tariffs on fish. I must emphasize, however, that the overall picture is still unsatisfactory.

The rules and disciplines of the GATT system form the foundation of security and stability in world trade. Weak GATT rules undermine the good functioning of the multilateral system, and open up possibilities for unilateral measures and protectionism. A revision strengthening GATT rules and disciplines is now urgently needed to adapt them to changing realities in world trade.

Iceland is fully committed to a successful outcome of the Round. In our view a strong international trading system is indispensable. We see it as a means for economic growth and as the best shield against protectionism, and discriminatory trade practices. This meeting is of a fundamental importance for all of us. Let us commit ourselves to success in these negotiations. A failure here is not acceptable - for too much is at stake.