

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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ISRAEL

Statement by Mr. Moshe Nissim,
Deputy Prime Minister and Minister of Industry and Trade

May I take this opportunity to first express my personal thanks and that of my delegation, to the Belgian Government for their warm welcome and hospitality. Our special gratitude is extended to the Director General as well as to the GATT secretariat for their efforts in making this Ministerial meeting possible.

Whilst this is the most complex and far-reaching negotiating Round that has ever taken place, it is clear that now is the time to finalize an agreement on the consolidation of this system.

Israel feels that at the culmination of the Uruguay Round it is imperative that we reach a consensus regarding those issues still open. It is also incumbent upon us to conclude the Round with a determined plan for the implementation of these agreements.

Since the opening of the Uruguay Round at Punta del Este, four years ago, unforeseen but far-reaching political and economic changes have taken place in our world.

More than ever, the international economic system needs the stable framework supplied by GATT.

Like many small countries, Israel must formulate its policies according to changes in world markets dominated by larger countries.

During the last four years, Israel has undertaken many steps to promote liberalization in its foreign trade and is now in the mainstream of this process which started in the early sixties with our accession to GATT.

Today, the Israeli economy is more accessible than ever, and the process has not yet ended. Israel now intends to transform quantitative measures, taken for balance-of-payments purposes, into tariffs which will then be gradually reduced according to a predetermined time-table. These steps will bring Israel even closer to the GATT recommendations in this matter. We are also considering the possibility of acceding to the Custom Valuation Code.

During the present Round, Israel has acceded to the GATT Code on Technical Barriers to Trade. For this purpose, Israel is carrying out changes in its standardization system, and is preparing for negotiations on mutual recognition of standardization test procedures with its main trading partners. We hope that the results of the negotiations will also facilitate this process with regard to voluntary certifying organizations.

Furthermore, an updated law regarding anti-dumping and countervailing duties is now in its final stages of legislation.

I would like to deal briefly with several topics which are of particular relevance to Israel. The most controversial issue of the Round is the agricultural sector which should, in our opinion, receive specially designed treatment since it is a highly vulnerable and sensitive sector in many countries.

Israel is one of those countries where agriculture is not only an important economic sector but also an ideological issue, an instrument for regional development and one of the foundations of our Statehood.

Over the years, Israel has succeeded in developing a highly technological and advanced agriculture which has managed to maintain a delicate balance between the import of goods such as grains, sugar and meat and the exports of fruit, vegetables (including newly developed varieties) and processed foods.

The present negotiations are bound to affect this balance.

Nevertheless, Israel supports liberalization and a free economy as far as it is feasible in this sector, although we believe that agriculture is basically different from industry.

Therefore, reform must be accomplished while respecting the specific food security needs, the requirements of regional rural population planning and the development requirements of each individual country.

Above all, Article 11 of GATT must be maintained, to allow countries to carry out responsible planning and production control systems.

Another new and complex issue on the agenda of this Round is the Trade in Services whose increasing importance in worldwide trade justifies its inclusion in these negotiations.

Israel supports a wide-framework agreement and would like it to cover all aspects of the services sector. We are prepared to enter into discussions regarding an initial commitment under the coverage of the agreement, provided that our special development needs are taken into account.

In similar fashion, and in the spirit of Punta del Este, Israel has also contributed to the tariff negotiations by offering low level bound duties which would affect over two thirds of the industrial products listed in the Israeli customs tariff.

Another major topic of discussion is subsidies.

Israel attaches great importance to an agreement in this sector which would cover all contracting parties and strengthen disciplines in the granting of subsidies, the incurring of injuries, and the undertaking of countervailing measures.

However, the agreement must take into consideration the specific development needs of developing countries. It is to be hoped that these countries will be permitted sufficient flexibility in the application of the new disciplines in order to enable them to ensure the achievement of their social and economic goals.

The Israeli delegation has already expressed its interest in the subject of rules of origin. Those rules should be relevant to the state of the art technologies.

They should not constitute a barrier to trade, and not be used as an instrument of trade policy.

I have already mentioned the special relevance of GATT particularly to small and developing countries.

In this respect, we have to keep in mind that any new arrangement should preserve and consolidate the multilateral involvement of all contracting parties in the functioning of GATT and the ability of small countries to benefit from the dispute settlement procedures.

Simultaneously with the present Round, discussions have also been held regarding the Government Procurement Code.

Israel is considering a meaningful contribution to the ongoing negotiations, provided that there is a balanced outcome which ensures real procurement opportunities, and not only theoretical rights, as is, to some extent, the case in the existing arrangement. A selective and a progressive implementation should be decided upon.

A further matter of concern to Israel relates to the application of non-tariff barriers. We must point out that, due to so called "non-economic reasons", Israel does not always encounter reciprocal treatment; neither does it enjoy full access to several major markets. Competitive offers cannot always be translated into business opportunities.

Israel is grateful to those governments that denounce this phenomenon, and to those who apply special legislation. However, we urge for further meaningful action in this regard. We believe that this is the obligation of the whole world trading system and mainly of those parties which enjoy an extensive volume of trade with Israel.

Liberalization of trade also means freedom of trade, for all!!!

In conclusion, I would like to stress our deep belief in the necessity of worldwide trade discipline and, therefore, in the need for an efficient, viable and strong GATT. The fact that during this Round, additional contracting parties and observers have joined the GATT, and that there have been ongoing negotiations with other candidates, reinforces these beliefs.

By the end of this week, we must emerge from this Trade Negotiations Committee with a clear and balanced consensus covering most areas of concern to the contracting parties. For its part, Israel will make every effort to assist in the achievement of this goal.