

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

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ADDRESS BY MR. JACQUES DELORS
PRESIDENT OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

The European Community is pleased to welcome here today in Brussels, along with Belgium, the conference which is to conclude this tremendous common endeavour of the negotiation of the eighth round of multilateral trade agreements in GATT.

By proposing over a year ago to host this closing meeting, the Community wished to signal in advance the importance it attaches to the development of trade in goods and services among all countries of the world without exclusion.

The specific reasons underlying the European Community's attachment to the world multilateral trading system are well known. It is the biggest partner in international trade, accounting for more than a fifth of exports and imports of goods.

Furthermore, with an import rate of 10 per cent of production - 20 per cent if one includes its internal trade - the Community's economy is more integrated in the world economy than that of any of the other major partners in the multilateral system: international trade sets the pulse of the European Community's economy. From this standpoint, the latter must be considered a child of the Bretton Woods system - a child that has grown in age and wisdom.

I have said this at the outset so as to remind you, if needs be, of how important the stakes in these negotiations are for us, and how resolved we are to reach a successful conclusion.

The European Community, open to the world, the world's partner, is not content merely to consider its own short-term interest. The construction of a united Europe is by definition a long-term project. The Community is now too involved in the world economy not to take into account, both in its thinking and in its actions, the future of the world economy as a whole. Indeed, that is the Community spirit: recognising the consequences of our acts for the situation of our partners, and not just the opposite.

At the opening of this final phase of our negotiations, it is in this spirit that I should like to draw your attention to the major circumstances which concern us all.

The first reason why we must succeed stems from the ambition which we set ourselves. We decided together to prepare the world multilateral trading system of the year 2000.

Today, the Uruguay Round negotiations involve 107 delegations, four times more than at the outset. In the past, GATT agreements have brought down the average level of tariffs from 40 per cent to 5 per cent and led to extensive elimination of non-tariff barriers. This success was obtained only at the price of enormous complexity. This must not be construed as a lessening of solidarity but rather as a sign of our growing interdependence. As it increases, obstacles to trade cease to be external and become more and more internal, affecting our national habits and laws.

In the circumstances, it is hardly surprising that this round of negotiations, the Uruguay Round, is the most ambitious of all. If our work covers sixteen different areas in which we are seeking a balanced outcome, it is because henceforth the development of trade in goods is in practice inseparable from that of services, is underpinned increasingly by the movement of patents and technology transfers, and calls for greater mobility of persons and of capital. These realities of day-to-day life are constantly widening the requirements of the fundamental principles of balance, equity and non-discrimination in market access on which the successful functioning of the GATT has been based.

The last of these work areas does not directly concern the liberalization of trade, but rather is aimed at strengthening the institutional framework of GATT itself. I should like to stress how important this is for us all; whether it is a matter of establishing more clearly and efficiently the role of the GATT authorities as an arbiter for the inevitable conflicts which cannot be averted in advance, or of setting up the GATT authorities as a partner of the international institutions responsible for regulating the world monetary and financial system. It is really a matter of our readiness to establish the lasting foundations of a legal order in the sphere of trade.

We must see to it that this inescapable reality is reflected in the architecture of the world multilateral institutions: as the founders of the Bretton Woods agreements rightly discerned, the three dimensions - trade, monetary and financial - of interdependence together contribute to the stability of international relations and the dynamism of the world economy. The developing countries suffer more than any others from the unfortunate consequences of the lack of coherence among trade problems, the management of financial flows and the search for greater stability in the international monetary system. The Community will never fail to stress the linkage between trade, money and finance.

Since the outset of this round of negotiations at Punta del Este in September 1986 the developing nations have participated in our work in an exemplary manner. They have shown their ability as responsible and discerning partners in all our discussions and have gauged, both for themselves and for the world, the risks and the opportunities inherent in greater openness of their economies to international trade.

We must ensure that this hope is not disappointed. The European Community is doing, and will continue to do all it can to this end, in all the areas of our work. The Uruguay Round must not be so named in vain. It must go down in history as the onset of a new era for trade between developed and developing nations and also among developing nations themselves. It is high time that trade at all levels, and not only assistance, should fully underpin international co-operation for development, with due regard for the specific features of each group and each country.

We must also be mindful of the historic changes now taking place, which, as we all know, do not concern merely the vast continent of Europe. Who would have said, four years ago when the preparatory discussions for the Uruguay Round began, that the economies of Eastern Europe, the so-called centrally-planned economies, would choose the market as the means of firming up their full accession to democracy and pluralism? Who would have said that Poland, Czechoslovakia, Hungary and soon the Soviet Union would opt for external convertibility of their currency and make accession to GATT and insertion into the world economy one of the levers for transforming their economic and social structures?

The advances in East-West détente have been spectacular on the European continent. They put an end to the division of the world into opposing blocs. In doing so, they bear the promise of a new international order, governed by relations based on law, and placed under the safekeeping of the United Nations. The possibility may at last be glimpsed for the international community to tackle jointly and peacefully the huge challenges facing it. This is the underlying significance of the rejection of force, the rejection of a fait accompli, expressed by the overwhelming majority of nations that have supported the resolutions adopted by the United Nations Security Council in the course of the developments in the Gulf crisis.

At the dawn of a genuinely international legal order, could we accept disorder in trade? Could we forget the very principles on which the GATT agreements were based in 1948? The aim was not merely to develop trade; it was also thereby, through multilateral, balanced and non-discriminatory trade, to pave the way for co-operation, for mutual acceptance, for forging bonds of peace among all nations of the world. Today, now that the Central and Eastern European countries are also coming to share this aspiration, how could we cause them to lose their bearings? How could we possibly worsen the difficulties with which they have to cope?

Sire, Your Excellencies, Ladies and Gentlemen, the structural inequality of wealth among the nations of the world has worsened over the last fifteen years, to the point where it jeopardises the stability of certain regions of the world, as well as the actual possibilities for many countries to achieve a modern economy, prosperity and the benefits of democracy. The growth of trade of every kind is one of the essential conditions for moving towards a more efficient world order, as well as one in which there is greater solidarity and fairness. Let us not forget it.