

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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PHILIPPINES

Statement by H.E. Mr Jose S. Concepcion, Jr.,  
Secretary of Trade and Industry

It has been fifty months since September 1986 when we gathered together in Punta del Este to launch the Uruguay Round of Multilateral Trade Negotiations. We had hoped then to meet at the end of four years to put a final seal of approval on a package of results that would usher in an economic renaissance in the 21st century characterized by:

- the free movement of goods, services, capital and technology; and from the resulting prosperity,
- a quality of life in the full dignity of a human person for all peoples of the world.

Unfortunately, as we begin the week in Brussels, no such package awaits us. After four years of hard negotiations, the fate of the multilateral trading system still hangs in the balance. We cannot help but confront the inevitable. We must now muster collective resolve and political will to make the decisions that is asked of each of us that is appropriate to our respective level of development, to put together a satisfactory package that will benefit all of us. Failure to do so would sow the seeds of unilateralism and bilateralism.

But how soon we can bring this dream of an economic renaissance to reality largely depends on the degree of success attained by the Uruguay Round of Multilateral Trade Negotiations in improving the GATT. In particular, such success can only be measured by the extent to which developed, industrialized and socio-economically advanced nations can give differential and more favourable treatment to developing countries, consistent with their financial, trade and developmental needs and capabilities.

Today, the world economic arena is stratified into four income levels - the developed countries with GNP per capita of approximately US\$20,000; the more advanced of the developing countries with GNP per capita of US\$10,000; the other developing countries with per capita incomes of US\$2,000; and the least developing countries with GNP per capita of below US\$1,000.

The ideal international economic order should envision fair play in the world economic arena. In essence, this requires heavyweights to fight against heavyweights, and featherweights to fight against featherweights, and where featherweights must fight heavyweights, there is a need to provide a handicap system.

Let me quote the handicap provision for developing countries in Part IV of the GATT:

"Recalling that the basic objectives of this agreement include the raising of standards of living and the progressive development of the economies of all contracting parties, and considering that the attainment of these objectives is particularly urgent for less developed contracting parties... There is need for positive efforts designed to ensure that less developed contracting parties secure a share in the growth in international trade commensurate with the needs of their economic development."

This was further reinforced by the mandate given to the Uruguay Round which states that:

"Negotiations shall aim to bring about further liberalization and expansion of world trade to the benefit of all countries, especially less developed contracting parties, including the improvement of access to markets by the reduction and elimination of tariffs, quantitative restrictions, and other non-tariff measures and obstacles."

It is therefore unfortunate that developed countries today continue to deny truly deserving developing countries the special and differential (S & D) treatment they need to push forward their levels of development and integration with the world economy. They fail to distinguish between countries who are able to take higher obligations and those who cannot.

Issues that are of critical importance to the Philippines are market access, textiles, agriculture, subsidies and trade-related investment measures (TRIMs).

The first three relate to our ability to earn foreign exchange through improved access in developed country markets for products of interest to us. The last two affect our ability to develop specific sectors of the economy by channelling investments in these areas.

We seek substantial improvements in the market access of Asian products, particularly tropical products, because 50 per cent of our labour force are employed in the agricultural sector and 30 per cent of our total exports are tropical products. For the same reason, we seek a substantial agricultural package.

We seek an immediate substantive agreement on the details of the multifibre agreement-based modality and time-frame for the integration of the textile and clothing sector in the general agreement.

We are disturbed that disciplines are expected of us in the area of industrial subsidies when others refuse to undertake disciplines in the area of agricultural subsidies.

On the subject of TRIMs, we are greatly concerned that its wide coverage will greatly restrict the flexibilities we need in our investment and development programmes.

Indeed, the multilateral trading system needs strengthened rules both in the old and new areas. Equity demands, however, that these rules be arrived at taking into account the views of those to be governed, and not standards determined by a few and imposed on others under threats of bilateral sanctions.

At Punta del Este in September 1986, Enrique Iglesias of Uruguay accepted the challenge of bringing about a new economic order in launching the Uruguay by an Act of Faith. For at that time, only an Act of Faith was possible. Today, that same Act of Faith of Enrique is what will carry us to the end of a fruitful Uruguay Round that will, in the words of Minister Celso Fuitado of Brazil, put an end to:

1. La Dictadura del Hambre Y La Miseria
2. La Dictadura del Analfabetismo
3. La Dictadura del Desempleo
4. La Dictadura de la Deuda Externa

In closing, I wish to reiterate our vision of seeing the dawning of a 21st century where the levels of economic development among countries will have become more or less equitable; where the dream of a new international economic order will have been truly established in the world; and where every Asian will have risen from the centuries of poverty of the past, to reach the quality of life he deserves as a human being.