

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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YUGOSLAVIA

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Four years and two months ago the contracting parties in Punta del Este embarked on a unique undertaking that at that moment appeared to be almost foolhardy. At the same time, this undertaking received the attribute of the most important multilateral economic negotiation not to say a test of faith. The faith to which I refer is of course faith in a concept - the concept of multilateralism in international trade, the concept of belief that a multilateral solution is by definition superior to a bilateral one, let alone to a unilaterally imposed measure.

The Punta del Este mandate, so often referred to in the previous years was of course, the result of a compromise, but compromise is real life. Today, we are gathered here to finalize our four years of negotiations which has been of a varied nature, with distinct levels of success and failure.

During the previous four years we have witnessed no lack of negotiating skill, or of rhetoric for that matter. We have witnessed the tabling of positions and proposals, we have seen attempts - some of them noble - to iron out differences and build bridges between different and often very conflicting positions and options. But what we have not seen, however, has been the determination and political will by all participants to make hard decisions, political decisions of the highest magnitude, to re-enforce that same faith in multilateralism as such.

Yugoslavia entered the Uruguay Round as it is - a small European country, dependant on foreign trade and income from exports to boost its programmes of economic development (for being European does not mean at the same time being developed as well), at least as much as we would like to be. Hence, Yugoslavia is a European developing country. We entered into the negotiations with an open mind and good faith and with gathered experiences that where the results of suffering and bruises obtained through trying to penetrate the existing trade barriers on the markets of our trading partners. But just as we are a small country, we have full faith in the GATT and its principles. Consequently, we attach great importance to improved and strengthened GATT rules and disciplines. Only in this way can we provide for lasting results of effort deployed in this Round.

We consider that the positive outcome in the area of market access is of strategic importance for the whole Uruguay Round negotiations. It encompasses meaningful results in agriculture and textiles.

We equally recognize the significance of liberalization of trade in services which will take into account the development components for developing countries. In this context we are of the opinion that it is essential to expand the application of a strong and unconditional MFN provision to cover trade in services.

Concerned with the current situation in the international economy we must not, however, forget one important feature. We are all engaged in the question of assuring adequate growth for our countries and our economies. Development is impossible without sustainable growth. Growth is not achievable without an improvement of overall international trade. And it is not possible without import liberalization and unless market access for exports from the developing countries is improved. Without export earnings and revenues development of developing nations is unachievable. Therefore, we are essentially involved in creating conditions, through the liberalization of international trade, for not only promoting but also enabling development for all.

The international trading environment is not a playground in which some who are stronger than others can monopolize the state of the game. All countries great or small alike have legitimate concerns and legitimate interests that must be met, at least to a minimum, if one is to reasonably expect results and adherence by as many as possible if not all to the results of the negotiations.

That is why the Uruguay Round was conceived as a unique opportunity of creating a global liberalized and just trading system that could work.

That possibility is still not an unattainable one. The goals set down in Punta del Este can still be achieved. I do not wish to contemplate the alternative to a successful conclusion of the Round not because it does not exist - in fact it does - but rather because I find it an unacceptable one. The eventual collapse of our negotiations would certainly mean a return to protectionism and trade wars in its worst form and even more ominous than that. A collapse of the Round would inevitably lead us into bilateral deals, managed trade, unilateral retorsive measures and arrangements where the stronger party would by definition have the higher hand. In an efficient and rule-based multilateral environment of legitimate concerns of all participants, the GATT should be the true expression of the will of its contracting parties and in their interest and could easily be the centrepiece of other institutional arrangements which need not be ruled out.

The world today is a changing environment. Countries are learning to work together and live together. In this evolving atmosphere, world trade cannot permit itself the luxury of being an anomaly or an exception to the rule. Rather, it should and indeed must become part of the whole.

Multilateralism is not dead. However, it can become something almost worse than that. It can become marginalized and irrelevant. And that is precisely the outcome that we must altogether strive in these December days to avoid, because it can be avoided if there is sufficient will.

I believe, that the will exists with others, as well.