

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee
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JAPAN

Statement by H.E. Mr. Kabun Muto,
Minist of International Trade and Industry

On behalf of the Government and the people of Japan, I would like to express our deep gratitude to the Government of Belgium and the Commission of the European Communities for hosting this historic meeting to conclude the Uruguay Round. At the same time, I commend and thank Mr. Authur Dunkel and the GATT secretariat, as well as negotiators of each country, for their immense work for the preparation of draft texts. At the outset, let me express my personal commitment that I will do my best to bring this meeting to a successful conclusion, in co-operation with all other participants, because the success of this meeting is of critical importance to the health and advancement of the international trading system toward the twenty-first century.

We are now witnessing an epoch-making period in the history of the global economy. Planned economies are now transforming themselves, one after another, to market economies, and this trend is welcomed by those who have pursued economic development based on market principles. We are now closer than ever in reaching consensus on superiority of the "invisible hand" to planning and control. I believe that now it is time and that it is our duty to take concrete actions in response. In this context, the Uruguay Round has become even more important, compared to the situation four years ago.

The Uruguay Round is a challenge we must face up to in order to improve the world trading system to meet the new demands of the global economy. The commitment by every country to the success of the Uruguay Round and high hopes towards such mutual benefits which could be attained from the successful conclusion of the Round have, no doubt, helped contain protectionist forces. This would be reversed, if the Uruguay Round should end in failure. It would then become extremely difficult for each country to restrain protectionist forces therein. This would, in turn, seriously affect the global economy through the contraction of world trade, aggravating any economic downturn. No country would be spared from the negative effects. The deteriorating terms of trade of developing countries due to the crisis in the Gulf will not help this situation. It is imperative that this Round be brought to a success in order to secure the sound development of world economy, and peace and prosperity on the earth.

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Japan has, for the past four years, contributed to create a more favourable environment for the multilateral trade negotiations by its own initiatives to promote imports. Import promotion has been one of our primary policy objectives in recent years and we have worked very hard. Let me spend a little of my time elaborating our efforts. In order to promote imports, we have opted for economic growth led by domestic demand. In addition, we have provided tax incentives for imports aid, unilaterally eliminated tariffs on more than one thousand tariff lines. As a result, imports to Japan increased at a remarkable rate of over 10 per cent per annum, creating new market opportunities worth about \$28 billion for our trading partners. Japan is more committed than ever to open further our already open market, thereby promoting world trade. Our market access negotiations are guided by the same objective, with a view toward achieving a maximum result in the reduction and elimination of tariffs.

The Uruguay Round is a joint exercise of all participants to improve and reinforce the international framework concerning trade in goods and services, lasting well into the twenty-first century. In this exercise, all of us gathered in this pavilion should remind ourselves that if each country held hard and fast to its domestic laws and customs, the chances of reaching meaningful new agreements would be very slim. Japan has already shown flexibility in changing its domestic laws and regulations in order to implement the results of this ambitious Round. For example, we have already amended our domestic laws to add momentum to the TRIPs negotiations and are ready to take further steps that would be required after the successful conclusion of the Round. We do hope the same spirit is shared by my fellow participants.

Even today, at this very late stage in negotiations, there are still important issues to be deliberated in each area of negotiations. These issues remain unresolved despite enormous efforts by our negotiators, because they lack mandates to make the necessary political decisions at their levels. In order to bring about breakthroughs, it is essential for us Ministers to make decisions on specific policy options from a broader perspective. For instance, in the anti-dumping negotiations, there are two different positions: one that places priority on strengthening disciplines on the imposition of anti-dumping duties, and another that places priority on the prevention of circumvention of existing anti-dumping duties. What we must do is to arrive at a constructive compromise, taking into account the legitimate concerns of both sides with a view toward establishing clear and objective international rules. This is merely an example. Similar political decisions are also necessary in other areas. I urge everyone gathered in this pavilion to reaffirm our commitment to reach a comprehensive accord here in Brussels, and to co-ordinate our efforts with the spirit of co-operation.