

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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DENMARK

Statement by Mr. Jørgen Ørstrom Møller,
Secretary of State for Foreign Economic Affairs

I would like to express my sincere congratulations to you upon your election as President of the TNC. Under your able leadership we shall do our utmost to achieve the ambitious and balanced results we all need in order to strengthen and develop the open, multilateral trading system. The prospects for economic growth, a sounder allocation of scarce resources and a better international division of labour depend to a large extent on what we can work out together in this final phase of our negotiations.

I also would like to thank whole-heartedly the Government of Belgium and the people of Brussels for their warm and friendly welcome.

The European Community - the world's largest importer - also in agriculture - and the world's largest exporter - has a special interest in the successful conclusion of the Uruguay Round with substantial and balanced results across the board. My country - Denmark - as well as the entire Community depend on a well functioning, open, multilateral trading system. There is for us no acceptable alternative to a substantial liberalization of trade in goods and services based on clearer and enforceable, multilateral rules.

I would like to underline two words I have used: substantial and balanced. We all need substantial results of this Round - the most comprehensive and challenging Round in the history of the GATT.

But at the same time, the results must also be balanced. We must all contribute to the overall results. There can be no more free riders, and the free riders of the past must now catch up. Furthermore, and in particular, we must recognize that in some fields we are faced with demands for dramatic upheavals. May I, as a representative of a country, where the last violent civil strife took place 450 years ago, and as a representative of a country, where the profound changes have taken place gradually, make a plea for moderation. Substantial, but gradual, careful and considered reform are much to be preferred over dramatic, revolutionary upheavals.

The Uruguay Round is a global enterprise; global not only in regard to substance matters, but also in regard to geography. GATT - and the Round - encompasses countries widely different in their economic development. That must be reflected in the results. We must be willing to fully take care of the reasonable demands of the least-developed partners, and ways and means must be found to integrate the developing world in the GATT system, taking into consideration the level of economic possibilities.

Another global concern, which must be met also in a GATT context, is the environment issues. I am happy to note that there is a growing conscience of the necessity to take environment factors into consideration when discussing trade policy questions.

For my country, Denmark, the main aim of this Round is to expand world-wide trading opportunities in goods - industrial as well as agricultural - and indeed also in services. In the short run, agriculture is very much in the focus, but seen in a longer perspective, increased trading opportunities in services are probably as important - at least. We recognize that if we are to obtain better access to the markets overseas, Europe's rôle as the world's largest importer must further be improved. We in Denmark are also fully aware that greater discipline in trade policy matters is not a one-way street. We must all - and I mean all - accept more discipline on the usage of the various and different trade policy instruments, each of us make use of.

A few words on the main issues in front of us:

Services. Services are already the most important economic sector in many countries. Growth in the service industries will undoubtedly be the economic locomotive of the future. All experience tells us that the unprecedented economic growth after the Second World War was based on the progressive liberalization of trade in goods. We must from now on do the same for trade in services.

Thus we need a clear, unambiguous, strong framework for trade in services. It must include an unconditional MFN clause, an effective standstill commitment, and a guarantee for progressive liberalization aiming at effective market access, including national treatment. Such a solid basis for a gradual liberalization of trade in all services has the highest priority for Denmark.

On the other hand, a bad agreement full of loopholes and exceptions would create more problems than it solves. It could easily be worse than no agreement. In this case, the entire Uruguay Round could be in serious jeopardy. Because the Round must address the central issues of today and of the future.

Secondly, we must obtain gradual, balanced, but substantial reductions in the overall support and protection of agriculture. The economy of this sector must be more market-oriented and more self-sustained. But we cannot make wonders overnight. We must go for reforms, not revolution. The offers presented by the participants cover the entire range from very timid

to most aggressive. In my view, the offer of the European Community is close to the middle, and it is not an ultimatum. With moderation, realism and goodwill, a compromise between the most extreme positions must be possible.

The Uruguay Round is a single and global undertaking. The results in one area must be followed by parallel results in other areas.

Therefore, either we go for substantial results in all areas, or we go for limited results in all areas.

We are at a crossroad in international economics. Either we go forward or we fall. The "bicycle theory" is valid: either you move on or you fall off.

Let us in common decide to develop and strengthen the open, multilateral trading system in an ambitious and substantial, but also balanced and reformist way.

There is no acceptable alternative.