

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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IRELAND

Statement by Mr. Desmond O'Malley, T.D.,
Minister for Industry and Commerce

It is a pleasure to address this distinguished gathering.

The purpose for which we are all in Brussels is an important one. The Uruguay Round signposts the future for an environment in which world trade can, and will, flourish in an orderly and stable fashion. If we are successful in reaching agreement this week - and I sincerely hope we will - we will have put the seal on four years of intensive work by our negotiators and laid the groundwork for an improved world trading system for well into the 21st century.

My country is fully committed to the multilateral trading system under the GATT. As a small open economy, we have a vital interest in the success of the system. As a member of the European Community we have been active, over the past four years with our fellow Member States, in contributing to efforts to strengthen and improve the GATT. Our objective for the 1990s, and beyond, has always been a newly invigorated and reinforced GATT which sets out unambiguously the undisputed rules by which international trade is conducted. Good sense dictates for us all that we should energetically pursue and support such an objective.

That is not to say however that, though many countries will share this objective, they will all necessarily see its realization in exactly the same way. Each country's approach will understandably be influenced by its fundamental interests and how these are best and most equitably accommodated in a balanced package.

For example, Ireland has a strong interest in the discussions on agriculture.

Agriculture

Agriculture plays a very significant rôle in Ireland's economic and social life. The sector accounts for as much as 10 per cent of our Gross Domestic Product; about one in five of the Irish workforce is dependent on agriculture for a livelihood; agriculture is our major export earner, being responsible for some 40 per cent of Ireland's net export receipts.

The agriculture industry in my country is extremely important in preserving the social fabric of our rural society and is a major contributor to maintaining the general well-being of the Irish countryside.

Agriculture, therefore, is vital to Ireland's economic development. The Irish Government places particular emphasis on maximizing opportunities in agriculture, an activity which our soils, climate and human resources makes us particularly well suited to. My Government is committed to maintaining a modern and efficient agriculture and food processing industry as the best guarantee of its valuable economic performance and of its contribution to employment opportunities.

Nevertheless, we are prepared, in line with the commitments undertaken at Punta del Este and subsequently, to bring agriculture more fully within the rules governing the multilateral trading system. In line with these commitments we have been participating actively as part of the European Community in formulating the EC's offer on agriculture. We believe that this offer is a significant step for the Community and one which creates no little difficulty for countries such as Ireland. At the same time we, like the other contracting parties, recognize the importance of the GATT and multilateral trade arrangements in the world's economic order. We accept that the inclusion of agriculture within the system can, if approached with realism and a certain caution, make a positive contribution to the development of world trade while at the same time safeguarding the legitimate interests of agriculture in all of our countries.

My country is willing to participate constructively in the negotiations on agriculture. There are, however, limits to what we are prepared to accept and acceptance of this reality would improve the prospects of an outcome on agriculture with which we could all live.

Textiles

I would also like to say a few words about textiles.

The textiles and clothing sectors are also important to Ireland. A relatively high proportion of our manufacturing employment is involved in these sectors and a high proportion of our output is exported.

Investment has been made over recent years which must be given time to reap its just rewards. We cannot countenance any precipitous move in relation to trade in these areas which could of itself cause serious damage to the structure of the industry. However, we are prepared, with our partners, to take on qualitatively the same degree of commitment in this area as may be possible in all other areas of the Uruguay Round.

Four years ago when the Round started, our stated aim was to agree ways and means of eventually integrating these sectors into GATT on the basis of strengthened GATT rules and disciplines. It would be most unsatisfactory if the terms of the final package on textiles do not deal adequately with the question of strengthened GATT rules and disciplines.

The lack of progress on strengthening of GATT rules and disciplines, including safeguards, subsidies, anti-dumping, intellectual property protection and market opening measures by all, has retarded the overall process. With the positive political will of all Ministers this week, we may yet be able to move forward in these areas in a way which permits a satisfactory outcome for all.

Subsidies

The question of improving GATT disciplines relating to subsidies and countervailing measures that affect international trade is another that is being dealt with during these negotiations. I think it is important to stress, in relation to this subject, that it is "trade distorting" subsidies that are in question here. All countries employ a range of legitimate measures designed to stimulate their economic development. I have in mind policies on regional aid, restructuring, research and development, export advisory services - these policies are essential tools of economic management and development and their use cannot be jeopardized. They are particularly important in the European context given the massive restructuring urgently needed in the emerging democracies of Eastern Europe.

GATT

Another topic I would like briefly to underline is the need to reassert the authority of the GATT. Unilateral and bilateral approaches to trade problems should become redundant and impermissible. The drift towards protectionism, even in the business community world-wide, must be halted. The preference shown by some countries to solve trade disputes by unilateral action amounts in effect to the exercise of might over right in tackling bilateral trade difficulties. This Round must not hedge this issue. It must put an end to intimidation.

We in Ireland, in common with other nations, have shared in the expanding opportunities so far created by the GATT in the form of a bigger and better world market-place. We share ambitions that the new GATT should enhance these past achievements. An even larger market-place, characterized by fair play, with us all sharing in even greater opportunity, is necessary if we are to meet effectively the challenge of ensuring employment for future generations. Without the existence of a free and strong multilateral trading system - which is the essence of the GATT - this ambition will be extremely difficult, if not impossible, to realize.