

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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MALAYSIA

Statement by H.E. Mr. Haron Siraj
Ambassador, Permanent Representative

First and foremost we would like to welcome Brunei Darussalam as the newest member of the GATT family.

Mr. Chairman, I take this opportunity on behalf of the Informal Group of Developing Countries participants in the Uruguay Round negotiations to thank you and congratulate you on the successful completion of the talks, the evidence of which is now before us. Your resilience, fairness and sense of urgency have in no small measure contributed to this conclusion. On their behalf, too, I would like to pay tribute to the past Chairman, former Director-General Mr. Arthur Dunkel, for his untiring efforts and contribution. Our appreciation must also go to the respective Chairmen and past Chairmen of the various negotiating groups and the "Friends of the Chair" who were also instrumental in delivering the Uruguay Round package to us. We should not forget the GATT Secretariat and all those behind-the-scenes who have shown commitment and put in tireless efforts in the pursuit of our common endeavour.

As we say Sayonara to the Round, we do get nostalgic about the seven long years on the road from Punta del Este to Geneva. The name Uruguay Round deserves to be given an IPR protection to the nation that saw the launching of the talks! Certainly we have had many hardships and heartaches in those seven years but we do hope that participants, developed and developing alike, will not look at the Final Act package as one symbolizing a victory for some and a defeat for others. We would like to look at it as a victory for international trade which will set the new era for future generations, to benefit and contribute to increased global welfare, as convincingly argued by GATT and OECD studies.

In looking at the overall results of the Round, it is of no surprise that there are certain areas of deficiency on which developing countries as a group would need to comment. There are some "half decisions" and in particular we wish to register our unhappiness with the following:

- (a) There had been evidence in the course of the negotiations of a general lack of commitment and the translation of the special and differential treatment (S & D) by the developed countries. It is also clear in respect of the least-developed countries (LLDCs). The concepts of S&D and progressive liberalization on many occasions appeared to have suffered an oversight by the developed countries, particularly in their bilateral and plurilateral dealings with developing countries.
- (b) The market-access package does not look as promising as we had wanted it to be. Product groups of interest to developing countries, ranging from agricultural and tropical products, wood products, fishery products, textiles and electronics, would need to be

given further improvements; and if one takes into consideration the conditions set by some developed countries and the lack of sufficiently strong rules and disciplines, some of these albeit inadequate, offers could not be realised. It is worth recalling that developing countries have taken so much of obligations in other areas as well as making contributions through autonomous market opening measures. These should be adequately matched by the developed partners. It is therefore our hope that between tomorrow and April we could work together for increasing the prospects of greater market access.

- (c) As regards agriculture, everyone was familiar with the bilateral problems of the US and the European Union. Developing countries closely monitored their protracted negotiations up to the last few days and, in the process, hoped for a positive outcome that could also in some form or other cater to their interests. The deal happily was struck but unhappily the fall-out effect on developing countries was not adequately tackled. Perhaps time and the pre-occupation of other issues gave the excuse of this apparent lack of consideration for the interests of developing countries and the least-developed ones. Further, under the services negotiations, we have a framework agreement covering the principal sectors of the services trade together with a good number of national schedules by participants, but unfortunately towards the end of the day, the shrinking coverage of sectors and half-decisions gave a basis for concern. This is particularly so bearing in mind that developing countries were initially reluctant to be drawn into the negotiation of this new sector; and, of course, we could only express disappointment that after making big strides in the services negotiations and submitting offers, as of today areas of potential which could provide economic meaning to participating developing countries in the GATS have been conveniently carved out or subject to essentially procedural decisions.

Today we see a landmark in the history of the international trading system; and in four months' time we will be putting the seal on our commitments on those documents that we have worked on so laboriously the last seven years. It is a landmark because we will see the birth of new rules and disciplines in areas of international trade — agriculture, services, TRIPS and TRIMS, acronyms which have now become commonly recognized. And we would also see the return in ten years' time of the prodigal son, the MFA, to the mainstream of the multilateral trading system. But from tomorrow onwards it will also mean more work, as explained by the chairman, that will need to be undertaken leading to the April Ministerial and subsequent to the coming into effect of the agreements in January 1995. In undertaking this follow-up work, we would wish to underline the following:

- (i) In the legal drafting work, it must be re-emphasised that no substantive changes will be made. It is worth reminding ourselves that in putting the legal jargons, care must be taken so as not to smuggle new concepts and ideas leading to unproductive arguments.
- (ii) In the verification exercise relating to market access, it is to be hoped that further improvements could be made to the offers; the scope of products and the reductions should be made in a manner that will bring real and immediate benefits for the developing countries and the least developed.
- (iii) We are happy to note that special attention would be paid to the interest of those countries which are in the various stages of accession to the GATT 1947. These developing countries which are negotiating their terms of membership were also full participants in the Uruguay Round and commitments therefore made by these countries must be considered within the overall package of the round. We would therefore urge

special consideration towards the position of these countries and efforts must be made to facilitate their entry as original members of the WTO.

- (iv) We have also to remember that much work will need to be done in respect of trade and environment. We in the developing countries remain committed to the need to ensure GATT's effective contribution towards the realization of Agenda 21. Developed countries have shown a great interest in the subject particularly in the later stages of the negotiations and, given such show of commitment, we would also hope that these would find manifestation in the other areas of Agenda 21 being dealt with elsewhere in other fora. We would like to see this consistency in their commitments.
- (v) In the area of rules, the developing countries are particularly supportive of strong rules and disciplines to provide the necessary predictability and transparency in the overall trading system. This is an important and very central consideration for us in accepting the results of the Round. Coupled with the establishment of an effective dispute settlement system under the new trade organization, we would like to believe that developing countries could find fair and equitable treatment and a source of security in our international trade dealings vis-à-vis the major trading nations.
- (vi) The least-developed countries who are finding that their interests under S&D are not being sufficiently catered for would certainly need more technical assistance. These countries whose interests we all have in our hearts should be given every opportunity to participate and integrate in the international trading system. We should be able to do more for them. In this regard, we would like to express appreciation for the Technical Cooperation Division of the GATT which we are confident will be able to assist the least-developed countries in the immediate follow-up work to prepare for the submission of schedules and the implementation of the Round. Consideration should be given towards the setting up of a special unit to assist them as well as to monitor the implementation of S&D commitments.

I would conclude by emphasizing the following points: that international trade is a two-way street and that we always speak of fair trade in accordance with the rules and disciplines of a level playing field. We must be reminded that structural adjustments will inevitably take place and these will have an impact on the pattern of international trade and the relationship of interdependence among trading nations. The dynamics of changing prices of factors of production and hence comparative advantages amongst countries would have a profound influence on the future flow and pattern of international trade. The new trade organization and the rules and disciplines will need to be set in place in such a manner as not to be barriers to these changing circumstances but rather to facilitate and create the optimal environment for international trade amongst nations to flourish, and reflect also the changing comparative advantages. Developed countries, therefore, have a commitment to ensure that the rules of the playing field are observed and, most important of all, that we play fair, and that the rules are not subject to arbitrary or unilateral interpretations to suit circumstances. To this end, the developing countries are putting our hopes and aspirations in the new organization as well as in the new rules and disciplines. We could do with tighter disciplines to be agreed in the present package of the Final Act. Time will tell.