

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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EUROPEAN COMMUNITIES

Commission of the European Communities

Statement by Sir Leon Brittan
European Commissioner,
Head of Delegation

This is an historic moment. We have before us for our formal approval the most important trade agreement in history.

This agreement will lead to an unprecedented opening of markets, thanks to:

- An overall reduction of tariffs by much more than the Montreal target of 33 per cent.
- The progressive integration into the multilateral trade system of trade in textiles and agriculture.
- The conclusion of an Agreement on Services with a package of initial commitments, which is not complete but which nevertheless represents an impressive starting point and where negotiations will continue on a certain number of sectors.

The agreement also strengthens the world trading system to an extent unmatched since the creation of GATT. The key improvements are:

- The strengthening of the rules-based system of multilateral trade.
- The broadening of that trade system to encompass the new areas of international economic activity.
- And, perhaps most important, the establishment of a stronger and more broadly based World Trade Organization.

This Round has been marked by the participation of an unprecedented number of developing countries many of whom made substantive contributions to the final package. It is only right that the Marrakesh Declaration should make particular mention of their special situation. Developing countries will, I am sure, gain greatly from the results of the Round - by increased access to the markets of all participant countries including for textiles and, in particular, by better protection from unilateralism under an improved dispute settlement procedure.

We are not here today, however, to mark the end of our work. Each of us, by our signature at Marrakesh, pledges himself or herself to submit the results of the Uruguay Round for formal approval in accordance with our domestic laws and, equally important, to proceed without delay to implement in our domestic laws, the commitments we made during the negotiations.

GATT SECRETARIAT

One proof of the quality of those commitments is the ever-lengthening queue of candidates for accession to the GATT and to the WTO. In many cases, the desire to join the multilateral trading system is a testament to the failure of non-market economic policy. It is our duty and, indeed, our privilege to help these countries make the difficult transition to a market economy by offering them the possibility of becoming fully responsible members of the multilateral trading system.

I am convinced that with goodwill on all sides, some at least of the accession negotiations underway can be completed in time to allow the newcomers to become original members of the WTO. But GATT membership is no sinecure, and this will depend on ensuring that the right conditions can be negotiated in each case.

New members of WTO will be stepping onto a moving train. The breadth of the Uruguay Round agenda reflected the rapid changes taking place in the structure of the world economy. Those changes continue at a high rate, and the WTO must set to work rapidly on a lengthening agenda of new issues.

- (a) Firstly, we have agreed in the Round on the need to ensure intensive cooperation between the WTO and the IMF and the World Bank, so that trade policy and financial and monetary policies are properly coordinated. The Implementation Committee of the WTO will need to lay the foundations for action under the Declaration on Coherence.
- (b) Secondly, we have agreed to address urgently the interface between trade and the environment. We must balance two potentially conflicting needs: the fact that it will at times be necessary to take trade measures to protect the environment and the need to avoid any risk of "green protectionism". The WTO must equip itself, in particular by the creation of a Committee on Trade and Environment, to address this issue. I am confident that our success in making progress already on this issue augurs well for other new issues, some of which are already firmly on the table.
- (c) That brings me to the social issue. I have made very clear in recent weeks that this issue is a legitimate global concern, and cannot be taboo among participants in the world economy. The WTO must be actively involved on this issue, working with the International Labour Office and other organizations. The WTO must address problems such as child exploitation, forced labour or the denial to workers of free speech or free association. There must of course be fully adequate safeguards against unilateralism or protectionist abuse and developing countries must be able to benefit from their natural advantages, to exercise their right to economic development and to maintain domestic policies appropriate to their level of development. If we approach these issues in that spirit, discussion of the substance of the issue this year in the WTO Implementation Committee should reveal much greater agreement on these principles than has appeared so far.
- (d) Finally, many delegates will know that I have been calling for some time for the multilateral trading system to examine the distortion of trade which can be caused by different standards of competition law and practice in different countries. The successful conclusion of the Uruguay Round has made this issue even more current. The Uruguay Round package of liberalization has considerably reduced the power of governments to restrict trade. At the same time, there are no binding international rules on restrictions of trade by private firms, many of which operate simultaneously in the jurisdictions of several competition regimes. The scope for conflict and confusion is great. I know that it will be difficult to achieve an internationally agreed set of substantive laws and procedures to ensure their enforcement. But that should not deter us. Such an agreement is urgently needed and is not beyond our capacity. We must at least make a start.

This sets us an ambitious agenda for the WTO. We have to implement the results of the Uruguay Round. We have to integrate the economies in transition into the multilateral trading system. We have to embark on a vast programme of rule-making on the so-called new issues. But we must not allow ourselves to be discouraged by the scale of the work ahead of us. We cannot sit on our laurels. We have just concluded the most ambitious market-opening and rule-making exercise since the creation of GATT. But the shape of the world economy continues to change and WTO has ahead of it fresh challenges that match those of the Uruguay Round. Strengthened by the success we celebrate today, we have fresh courage to tackle the work ahead.