

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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**LATVIA**

**Statement by M. Olgerts Pavlovskis**  
**State Minister of Foreign Trade and European Union Affairs**  
(Speaking as an Observer)

First of all, I would like to express the thanks and appreciation of the Latvian Government for giving us the opportunity to present the Government's view to this distinguished and important gathering.

It is my honour to represent the Republic of Latvia here in Marrakesh at this very special occasion, and convey our congratulations to the member States of GATT on the successful conclusion of the Uruguay Round. The task you have accomplished over these past years, will set the foundations for further liberalization of trade and the opening of markets. We particularly note and applaud the statements of several previous speakers who stated that it is the duty of GATT member States to help the developing countries to become members.

During the last two years, Latvia has taken a particular interest in the events surrounding the Uruguay Round. Immediately following the re-establishment of our independence from the Soviet system, our Government placed significant importance on Latvia's accession to the GATT. However, we understood that membership in the GATT does not only grant rights, but responsibilities as well. Therefore, it was only on 29 October 1993 that Latvia felt that it was ready to submit its request for accession to the GATT. Following that, the Working Party on the Accession of Latvia was established on 17 December 1993, and is chaired by Mr. Thielgaard of Denmark. This marked an important step in Latvia's re-integration process into the global market and international community.

Latvia has adopted a three-tier approach towards re-integration that can be broken down as: political, economic and legal.

Latvia's legal integration process has manifested itself by way of bilateral international agreements. Since its diplomatic recognition two years ago, Latvia has signed most-favoured-nation status treaties with 26 nations and has free-trade agreements with six nations. Currently, Latvia is negotiating a free-trade agreement with the European Union, which we hope could come into force as early as January 1995. Latvia has gained much through regional cooperation, but we also recognize the importance of the global market and broader multilateral agreements. It is for this reason that we see our accession into GATT and the eventual integration into the World Trade Organization, as a vital component in the realization of its goal to provide a legal and "rule of law" basis upon which to facilitate trade.

Politically, Latvia has readily met the international community's democratic criteria: multi-party elections, political and religious freedom, as well as human rights. Latvia's continuing cooperation

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and participation in such international organizations as the United Nations, the CSCE, and the Council of Europe, ensures that these democratic rights remain in force.

Economically, Latvia's re-integration has been an arduous process, which by no means is over. There are however indicators that show Latvia making economic progress and moving towards the ideals set forth by the GATT. Since its independence, Latvia has religiously followed the path of economic liberalization and stability. It is significant to note that this economic reform has been implemented with the cooperation of the GATT's Bretton Woods sister organizations: the World Bank and the IMF.

Latvia's national currency, the "Lat", has been successfully introduced and is completely convertible. Under a strict monetary policy the Lat has appreciated in value, and has curbed the inflation rate, which is still a lingering remnant from the Rouble.

Latvia's market has been completely liberalized, and wide-spread privatization has begun. The decline in GDP as a result of decentralization, has begun to be absorbed by the growing private sector.

Latvia welcomes the innovations of the Uruguay Round, most of all, the new World Trade Organization, which will provide trade with a permanent forum to administer agreements and settle disputes. This type of institution would provide Latvia, as well as Lithuania and Estonia, with the means to protect itself from unfair trade practices and politically inspired tariffs applied by its neighbour.

To those evaluating Latvia's prospects for economic development, I recommend to look at the aforementioned factors as a "barometer" indicating Latvia's future economic forecast. I believe it is as promising as the GATT is today. The stage has been set for great achievements, and it is now just a matter of implementation and cooperation, both of which rely on our dedication to the democratic approach of liberalizing trade and opening markets.

In conclusion, we would like to thank the Kingdom of Morocco, its Government and its people for their hospitality and generosity in organizing and hosting this vitally important meeting.