

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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UNITED NATIONS ORGANIZATION

Statement by Mr. Carlos Fortin
Officer-in-Charge of UNCTAD Representing the Secretary-General of the
United Nations
(Speaking as an Observer)

On behalf of the Secretary-General of the United Nations, Dr. Boutros Boutros-Ghali, I should like to convey to the Marrakesh Ministerial meeting the best wishes of the United Nations for a successful and productive session. May I also convey our thanks to His Majesty King Hassan II, and to the Government and people of Morocco, for generously hosting this meeting.

The Uruguay Round Final Act incorporates agreements that position the multilateral trading system to meet the challenges and opportunities of the 21st century. It represents a victory for a rule-based system to govern international commerce. It integrates areas of international economic relations hitherto outside the scope of multilateral trading disciplines. Above all, it reaffirms the validity of multilateralism, belying fears that regional trading blocs would weaken the multilateral trading system.

The developing countries have made a major contribution to the success of the Round, by accepting rigorous multilateral disciplines and a degree of erosion of differential and more favourable treatment. As a result, some of them may face a substantial contraction in the policy options and instruments open to them at a time when they are adopting export-oriented adjustment policies. In particular, some of the poorest countries, including the least-developed countries, may face a certain worsening in their terms of access to markets, through an erosion of their preferential margins, higher costs of imported food and technology and more onerous multilateral obligations without being able to rapidly take advantage of the expanded opportunities. The international community should agree that no country should be worse off as a result of the Uruguay Round agreements, and concrete programmes should be introduced to assist individual countries to neutralize short-run adverse effects and derive sustained benefits from the post-Uruguay Round trading system.

For developing countries to be in a position to capitalize the potential benefits from the Round agreements, an ability is required to master the complex web of new mechanisms, instruments and structures embodied in the Final Act, which furthermore foresees continuing negotiations in certain areas. Support from the international community is essential, and the United Nations stands ready to contribute, in particular, UNCTAD technical cooperation activities in the wake of the widely acclaimed Multilateral Trade Negotiations project, are being focused on this problem, and on its human resource development and institutional building aspects. Also related, is UNCTAD's work on trade efficiency, which is identifying practical measures through which greater participation in international trade could be stimulated. This work will culminate in a United Nations International Symposium on Trade Efficiency which will take place next October in Columbus, Ohio.

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The Uruguay Round Agreement provides that appropriate arrangements should be made for effective cooperation between the World Trade Organization and other international organizations that have responsibilities related to those of the WTO. Indeed, the establishment of cooperative relations between the WTO and the UN will not only enhance the effectiveness of the WTO but will fill an important gap and introduce a key partner in the collective multilateral endeavour that the United Nations system represents.

The Secretary-General Dr. Boutros-Ghali, views the United Nations system as a network of strong independent international institutions, united by the common aim to promote a more effective coordination of international policies in support of growth and development. The status of specialized agency under Articles 57 and 63 of the UN Charter encompasses United Nations recognition of such agency's authority in its sphere of competence. Such status is compatible with a range of different arrangements, including those governing relationships with the World Bank and the IMF.

In substantive terms, there is a complementarity between the WTO and UNCTAD, the United Nations Programme that focuses on trade and development. UNCTAD can contribute conceptual innovation and policy analysis and approaches, help build intergovernmental consensus and generate political impulses, to be considered by institutions, such as the WTO, vested with the powers of decision and contractually binding rule making. UNCTAD is, furthermore, the focal point in the United Nations system for the integrated treatment of issues related to trade, investment, money and finance, technology and services. In particular UNCTAD is carrying out work programmes in some areas which will feature in the possible future programme of work of the WTO. These include trade and the environment -- where UNCTAD, as the Task Manager for the whole United Nations system on trade-related issues of Agenda 21, is carrying out, and coordinating, work on policies to make trade, development and environmental objectives mutually supportive -- and competition policy, where UNCTAD has a long-standing and evolving work programme on restrictive business practices. More generally, pursuant to the Cartagena Commitment, the Trade and Development Board of the UNCTAD will carry out an assessment of the outcome of the Uruguay Round with a view to identifying problems and opportunities facing developing countries and countries in transition to increase their participation in world trade. The United Nations is therefore well placed to make a major contribution to the future work of the WTO on these and a number of other emerging issues.

In conclusion, let me reiterate on behalf of the Secretary-General of the United Nations the readiness of the United Nations to cooperate fully with the new World Trade Organization in the promotion of economic cooperation and development.