

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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PHILIPPINES

Statement by H.E. Mr. Rizalino S. Navarro
Secretary of Trade and Industry

On behalf of the Government of the Philippines, I wish to thank His Majesty King Hassan II and the Moroccan people for graciously hosting this Ministerial Meeting to formally conclude the Uruguay Round. I would also wish to congratulate Mr. Peter Sutherland, and Mr. Arthur Dunkel as well, for their leadership at officials' level in the arduous work that transpired in Geneva over the last several years.

My delegation has come to Marrakesh fully conscious of the far-reaching implications that the World Trade Organization Agreement will have on the economy of our countries and the well-being of our peoples. Indeed, should the promised benefits of the WTO Agreement be fully realized, the expected increase in world trade and the potential for creation of new jobs worldwide can be effective instruments to promote social and political stability in our countries and to stimulate the growth of the world economy. The importance that we attach to this Agreement can be seen from the fact that my delegation includes not only representatives from the administration but also key figures of our legislature. They represent our people to whom the economic benefits of this new Agreement must ultimately rebound. As the Filipino people's representatives, they will have the responsibility of ratifying this new multilateral trade agreement.

The Philippines, a medium-sized developing country, has participated in the negotiations as a responsible member of the international trading community. Despite pressing financial and other economic constraints, it has endeavoured to participate in the exchange of concessions with its trading partners on the basis of mutual advantage. While benefits are expected, the implementation of the Uruguay Round agreement will mean for us a significant amount of economic adjustment in terms of greater competition for our domestic industries. It will also mean lower revenue from tariffs and less flexibility for the use of non-tariff measures to control imports, which developing countries like the Philippines will require from time to time for legitimate reasons. Not only were these concessions made in the traditional areas of trade but also in new areas such as agriculture, intellectual property rights and services. These are sacrifices for which, in return, developing countries expect corresponding benefits from the new multilateral trading system that the World Trade Organization promises to bring about.

We view the creation of the World Trade Organization with great expectations.

First, we look forward to the expansion of exports resulting from market access commitments negotiated with our trading partners.

The Philippines also has high hopes that the strengthened consultation and dispute settlement mechanism will prove effective in defending the trading interests especially of smaller trading countries. Many developing countries in the Southeast Asian region including mine have depended on trade to

propel them towards economic recovery and growth. Predictability in trading conditions and access to markets without fear of unilateralism and bilateralism are therefore necessary in order for this development process to continue.

My delegation has consistently manifested that it attaches great importance to the concept of special and differential treatment for developing countries. As such, we would look forward to the World Trade Organization as being the guardian of this principle, seeking to bring about its fullest implementation and working actively to enhance its effectiveness for the benefit of all developing countries.

In the course of this meeting, Ministers will adopt decisions to continue the work on certain areas that have not been completed during the Uruguay Round. These include trade in services and certain trade rules such as the concept of anti-circumvention in relation to anti-dumping. It is our view that this latter concept has the potential to severely dampen investment flows to developing countries. I would therefore like to suggest that it be tackled with caution taking into account the need to greatly minimize if not remove any anti-investment biases that could result if this concept is implemented. For the great majority of developing countries, foreign investment is the means that will enable them to enlarge what is still an insignificant share in world trade.

The issue of trade and the environment looms large in the future agenda of the WTO. In this connection, our work should be guided by the principles of UNCED as enunciated in the Rio Declaration and the specific recommendations in Agenda 21 on trade and the environment. In particular, we hold the view that the focus of our efforts should be on sustainable development. Environmental concerns cannot be treated as in a vacuum without taking into account their implications on the livelihood of many people who directly depend on the earth's resources for subsistence. Poverty is the root cause of environmental degradation. As such, developing countries must be able to muster, through an open and non-discriminatory multilateral trading system, the resources that will allow them to share in the task of protecting the world's environment. We must also prevent the misuse of environmental concerns to mask protectionist measures or their enforcement through unilateral or extraterritorial means.

The GATT has done significant work on the follow-up of the UNCED recommendations. But discussions thus far have not fully addressed the question of resources and transfer of environmentally sound technology which the UNCED recognized as a basic requirement for sustainable development. The WTO must address these matters as well, in cooperation with other international organizations, if necessary.

At this juncture, I would like to address an issue which has come to confront us at the eleventh hour before the formal conclusion of the Uruguay Round. My delegation is seriously concerned over suggestions to include workers' rights and international labour standards in the agenda of the WTO. There are other fora which already discuss these subjects. Without minimizing their importance, utmost caution must be exercised in handling the proposals in these areas especially because of the possibility of glossing over the unique conditions and requirements of developing and least developed countries.

The Philippines has a well-entrenched national policy to promote the welfare of workers and uphold their rights. We believe, however, that relating these issues to trade could also give rise to the possibility that workers' rights and international labour standards can be used as unjustifiable barriers to international trade. This linkage becomes all the more alarming if redress for perceived violations of workers' rights and international labour standards are sought through unilateral and extraterritorial trade measures.

Lastly, I would like to end with a request that the WTO should give attention to the strengthening of its capability for training and technical assistance to developing and least developed countries. It will enable them to effectively implement the results of the Round. This is particularly important if we want to see the eventual integration of these countries into the multilateral trading system envisioned in the Uruguay Round.