

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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ICELAND

Statement by H.E. Mr. Jón Baldvin Hannibalsson
Minister for Foreign Affairs and External Trade

The transformation that has taken place in the world in the last few years is the most dramatic the world has witnessed for half a century. Walls have collapsed and curtains have been torn down. Authoritarianism is yielding to democracy and the dispersed power of the market place.

In this new climate, our nations have been brought closer through increasing interdependence. Political and economic reform has given the term "world market" a new and expanded meaning. If there has ever been a time to speak of an emerging new world order, that time is now. With its upheaval and uncertainty it is perhaps not the placid utopia some would have envisaged. But there will always be challenges to face and obstacles to surmount. To this the multilateral trading system is no stranger.

It is precisely here that we have made an invaluable contribution with the conclusion of the Uruguay Round. After seven long years, we have reached our goal of finalizing the most comprehensive and far-reaching trade negotiations in history. With it, we have built a solid foundation for the security and prosperity of our peoples.

The Uruguay Round results lie not only in the reduction of tariffs and the strengthening of the legal framework within which international trade takes place. No less important is the expansion of multilateral trading disciplines to cover new areas such as services, intellectual property rights and agriculture. Unlike the reduction of tariffs, the benefits of this achievement are perhaps beyond the scope of statistical measurement.

Agriculture, too, will be subject to strengthened multilateral disciplines, from which it has regrettably drifted in the past. My country attaches great importance to this achievement. We are here discussing an area of great sensitivity to many, but not the least to a country such as my own. There is no need to dwell, in this context, on the difficulties and constraints imposed on agriculture by the vicinity of the arctic circle.

The political and economic climate within which our commitments were shouldered was perhaps no less cold. The sector is undergoing a difficult adjustment period, dealing with familiar problems such as production surpluses, over-capacity and reduced consumption. Far from being internationally competitive, Iceland's agriculture faces truly formidable challenges in this adjustment. The Uruguay Round is one of the cornerstones on which its future inevitably rests. The commitments we are here to finalize bear witness to the faith Iceland has placed in the multilateral trading system.

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The fishing sector is the driving force of the Icelandic economy. Indeed, Iceland is one of the largest fish-exporting countries in the world. It follows that immense importance was attached to the Uruguay Round outcome for fish and fish products, demonstrated by Iceland's support for a harmonization approach to the sector. Uncertainty surrounded the outcome until the very last few weeks and days of our negotiations. While the end result is perhaps not all we had hoped for, it can generally be said that the overall outcome is satisfactory.

But the gains deriving from the Round to a small, export-dependent country such as Iceland will not only be measured in terms of tariff concessions. A stable and secure multilateral trading system is of paramount importance in this context and here the contribution of the Uruguay Round is immeasurable. Through new agreements, new rules and new structures, the world economy has taken a giant step forward. This accomplishment is especially opportune given the present economic climate in which we live.

Iceland would like to join in welcoming the WTO to its rightful place at the centre of the world's economic cooperation. Originally on the drawing board in the immediate post-war years, the WTO now rightly takes its place among the other Bretton Woods institutions. Iceland is confident that the new organization will live up to the expectations of its members and place an indelible mark on the way in which their trade is conducted.

The objective will remain as before to liberalize trade in order to improve living conditions and foster economic growth and strengthen employment. Any subject taken up for discussion within the WTO, be it social, environmental or concerning competition matters, should be approached on the basis of these objectives. The ultimate aim is for all our peoples to have a justified share in the accruing benefits.

In conclusion, Mr. Chairman, permit me to congratulate the GATT Secretariat and its former and present Directors-General on the achievement of the Uruguay Round and especially to thank His Majesty King Hassan the II for the royal welcome bestowed upon us and the Moroccan people for the warm hospitality extended to us, by hosting this meeting in the beautiful and historic setting of Marrakesh.

For members of my generation, the classical film "Casablanca" evokes strong feelings of romance and nostalgia, and leaves in our minds an indelible image of beautiful Morocco. The film's setting is against a background of a terrible war; a conflict that originated in Europe but inevitably spread to the four corners of the globe. The film tells the story of individuals, who try to reach out to each other beyond the entrenched barriers of national enmities and different cultural backgrounds. In spite of the calamities of war and personal misfortune the closing words in the film signify a spirit of hope and optimism. "I think this will be the beginning of a beautiful friendship". May the concluding words of "Casablanca" express the spirit of hope and optimism to be carried forth to the world as the message from Marrakesh.