

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Statement by Mr. Günter Rexrodt
Federal Minister for the Economy

Permit me to begin by expressing my personal gratitude to His Majesty Hassan II, King of Morocco, for the remarkable commitment he has shown in organizing this conference. Morocco can be very, very proud of its achievement. It is a milestone in the history of international trade policy and the basis for tackling the complex issues of multilateral trade relations which will need to be resolved in the future.

The Encyclopaedia Britannica refers to the GATT as "the most important expression of the post-war desire of the nations of the world to liberalize and expand international trade". Whilst the post-war era now lies far behind us, the desires and efforts of the GATT members to achieve a comprehensive liberalization and expansion of world trade still exist as much as ever. The idea of economic growth and prosperity through free trade is still alive today, and in spite of - or precisely because of - its great age, it has lost none of its attraction and persuasiveness. A clear demonstration of this is the fact that the 23 founding members of 1947 have grown to a total of 118 contracting parties today.

This idea of free trade and our firm belief in it has guided us through seven years of not always easy negotiations. During this time, far-reaching political and economic changes have shaken the world. On top of that, the differences between the negotiating partners were often hard to bridge. And so like everyone here, I am extremely happy that we have still managed to achieve an agreement of this quality.

The results are most respectable. Sir Leon Brittan has spoken of a new trade policy vision. I am ready to second that. We have created a remarkable new framework for world trade. We must now fill it with life - with growing trade. This means that we must all take advantage of the liberalization agreed on in the classic field of market access. And trade will also be stimulated by the expansion of the GATT to include areas that were previously omitted but which are continuously growing in economic significance, such as services and intellectual property rights. These are outstanding advances in the history of trade negotiations. The establishment of the World Trade Organization as a new institutional framework and a permanent forum for multilateral negotiations will, by creating an internationally recognized institution, reinforce the multilateral system of trade. I am convinced that the results of the Uruguay Round will benefit everyone involved. This particularly goes for our partners from the developing countries. The safeguarding of the interests of these countries is one of the central results of the negotiations.

The further integration of the developing countries into the multilateral trading system remains an important goal, and one which will particularly be worked on in the WTO.

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The idea of free trade and liberalization depends on an ability to integrate and adapt to changing conditions in the international trade policy environment. This applies on the one hand to economic structures in the member countries of the GATT. But the GATT itself can also only fulfil its role as a free-trade agreement if it keeps adapting to change. The gains in prosperity deriving from the Uruguay Round can be enjoyed by industrial countries, developing countries and the countries in transformation of eastern Europe. These economies must become properly integrated into the world economy with its division of labour and competitive basis. All sides must see that prosperity gains can only be achieved on the basis of open markets in all trading partners. There will continue to be the temptation in future to secure advantages unilaterally and to seek protection from competition. By placing our signatures under the Uruguay Round accord and agreeing to the Marrakesh declaration, we are all committing ourselves not to yield to this temptation. As Germany's economic minister, I regard my priority task in future, as in the past, to be the fight against protectionism wherever it manifests itself.

In the WTO, we have created the foundations of a permanent forum for negotiations. We must make effective use of this if we are to find solutions to future challenges which are acceptable to all sides. Such solutions must be found in a dialogue characterized by mutual understanding and constructive cooperation. A large number of countries have applied for GATT or WTO membership. This provides undeniable proof of the attractiveness of the multilateral trade system. It is also a statement of confidence in the WTO. We should now press ahead with these accession negotiations in an open manner. When it comes to supporting the process of structural reforms in the former eastern bloc countries, their accession to the WTO is of particular importance. Numerous new and complex subjects will soon be on the agendas of trade policy bodies. With regard to the problem of effective and global environmental protection and the way it relates to international trade, we have already taken a decisive step by setting up the WTO committee. In dealing with this problem we have to ensure the mutual supportiveness of trade and environment policy and avoid protectionist restrictions to trade. We shall also have to face up to the problems of another interrelationship: the relationship between trade and what I know to be the politically highly sensitive area of labour and social standards.

I am convinced that a multilateral discussion, taking account of the interests of all sides, is the best approach and the best protection against fears of unilateral measures. I think we all agree that labour and social standards must not become a vehicle for trade restrictions and a source of new protectionism. And it must also be made quite clear that the discussion on labour and social standards will not dominate or even paralyse future work in the WTO.

Market opening and multilateral solutions remain the recipe for prosperity gains by all sides.

This also applies to the area of the world economy in which trade policy and competition policy overlap. The increasing globalization of the markets and the internationalization of company activities often have the effect of distorting competition and restricting trade. They create political pressure to react to these distortions with trade policy measures. This sort of development could devalue the new GATT agreements and concessions. For this reason, a debate should soon begin on the "if" and "when" of an international system of competition as a solution to this problem and on the possibility of integrating it into the WTO.

To summarize: it is vital for all of us that the jointly agreed and expanded rules and disciplines be consistently applied, and that the newly established forum of the WTO be used to the mutual advantage of all sides.