

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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BRAZIL

Statement by H.E. Mr. Celso Amorim
Minister of External Relations

Let me first express my deep gratitude to the people and Government of Morocco for the perfect organization of this Conference and for the warm hospitality in this beautiful city of Marrakesh. I also wish to pay tribute, through you, Mr. Chairman, to your country, Uruguay, our neighbour, friend and partner, for its unswerving and generous commitment to the success of these negotiations.

It was with a feeling of jubilation and a sigh of relief that most of us received the news last December that the Uruguay Round of Multilateral Trade Negotiations was at last concluded. Jubilation because an important and decisive step had been made towards the creation of a truly multilateral institution for world trade. Relief because of our common awareness that the alternative would be, at best, fragmentation of the trading system or, at worst, open trade warfare.

This is indeed a historic occasion. This week representation from more than 120 nations, covering 90 per cent of world trade, are gathered to crown the negotiations launched seven years ago in Punta del Este.

My country was one of the original signatories of the GATT and has since 1947 participating in all negotiations which have taken place. In pursuance of its natural drive to trade on a worldwide basis, we played our part in the collective effort to build an open, non-discriminatory and equitable trading system.

In spite of serious difficulties, some of which had external causes, the Government of Brazil undertook a sweeping reform programme of trade liberalization, deregulation and privatization. As a result, virtually all non-tariff measures were eliminated and the average tariff rate was reduced from 52 per cent in 1988 to 14 per cent in 1993. We take special pride in the fact that the transition from import-substitution to a new and open growth model has taken place in a fully democratic environment. The new orientations of economic policy were not brought about by technocratic fiat. They reflect a growing consensus within Brazilian society. The successful conclusion of the Uruguay Round was - and is - in this context an imperative in the overall strategy to promote the competitive integration of Brazil in the world economy.

Indeed, the regional integration processes to which we are committed in Latin America require an open and more supportive international environment, based on stable and fair rules. Both MERCOSUR, the consolidation of which remains a top priority, and the recent initiative with a view to creating a Free Trade Area in South America have as a basic goal a greater integration of our economies in the international markets. They are therefore fully consistent with the principles and objectives of the World Trade Organization. For Brazil, open regionalism must be seen as a complement, not an alternative, to multilateralism.

We take satisfaction that some of Brazil's major objectives in the Round were attained. Agreements designed to re-integrate into the GATT two important sectors of interest to developing countries, namely textiles and agriculture, were surely welcome news. Reduction of protective barriers by developed countries will certainly have a positive impact on our trade. However, more significant concessions by our major trading partners would have helped consolidate our own liberalization policies and provide greater opportunities for economic growth. Tariff reductions for a variety of products which have considerable weight in developing countries' exports run well below average. Also, tariff escalation remains an obstacle to the full use of competitiveness.

The ambitious goals pursued by many countries, including the members of the Cairns Group, had to be scaled down in the course of the negotiations. But it is our earnest expectation that, as a consequence of the new disciplines, trade restrictions imposed on our agricultural products will be reversed and unfair trade practices that affect our exports as well as our producers in our own markets will be progressively curbed and eventually discontinued.

The Brazilian Government is firmly committed to obtain from our Congress an early ratification of the Uruguay Round Agreement. Our acceptance of the obligations stemming from the Round is to be seen as a further contribution on our part to the multilateral system.

We believe that the decisions taken at this Ministerial Meeting will allow for a smooth transition from the GATT to the World Trade Organization. Specially relevant to this process is the collective commitment enshrined in our Ministerial Declaration not to take any trade measures that would undermine or adversely affect the results of the Uruguay Round negotiations or their implementation. The laboriously negotiated dispute settlement mechanism, which is one of the main pillars of the WTO, will lose its credibility if the more powerful trading nations succumb to the temptation of resorting to unilateral action to resolve their trade problems with other WTO members. Conversely, further attempts to overload our agenda with issues which were not envisaged in the course of the 15 December deliberations are clearly inappropriate. Instead of helping to ameliorate social conditions in developing countries, these attempts amount to the exportation of unemployment from the rich to the poor, transferring from the former a social burden that the latter cannot bear.

In fact, the whole question of labour standards is inextricably linked to another issue that would have to be addressed simultaneously, i.e., the relationship between free trade and immigration. We are concerned with the emergence of a kind of "global protectionism" that opens the door for exports of goods of advanced technology of developed countries and would close the path to our competitive exports.

Brazil supports the Decision on Trade and the Environment. We look forward to participating actively in the work of defining the complex relationship between trade and environment, in accordance with the principles of the Rio Conference. We will also be prepared to engage in discussions of issues which have a direct bearing on trade, such as restrictive business practices.

This Round will be remembered as the first one in which developing countries had an active participation in the course of the whole negotiating process. These countries will certainly reap some of the fruits of liberalization of markets and of stronger disciplines. But they also took upon themselves obligations whose concrete effects on the well-being of their people are still unclear. We, the developing countries, have bet on trade liberalization and on the multilateral trading system. It is my firm belief that one of the most important tasks of the organization we are creating is to see to it that this bet is not frustrated by new and insidious forms of protectionism. Even though our organization does not bear the word "development" in its name, it will lose much of its purpose if its rules and disciplines do not contribute to freeing hundreds of millions of human beings from poverty and misery.