

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(94)/ST/81/Rev.1
21 April 1994
General Distribution
(UR-94-0224)

Trade Negotiations Committee
Meeting at Ministerial Level
Marrakesh (Morocco), 12-15 April 1994

Original: English

PAKISTAN

Statement by H.E. Mr. Chaudhry Ahmad Mukhtar
Minister for Commerce

Revision

We meet today to celebrate the culmination of a process that has taken us seven long years. It is altogether befitting that this should be in this beautiful and historic city of Marrakesh with which many of us have such deep associations, and under the generous umbrella of the traditional and gracious hospitality of the Kingdom of Morocco.

The negotiations initiated at Punta del Este were aimed at halting and reversing protectionism, further liberalizing trade, and consolidating and strengthening multilateralism. These were essential elements in fostering international economic collaboration for the mutual benefit of all our countries. Permeating these objectives was the belief that open markets were inherently better than protectionist mercantilism, and that multilateralism held out the greatest promise, especially for developing countries, in a world where the destinies of all our peoples are so closely inter-linked. "Trade not aid" provided the best framework for North-South relations.

Pakistan's own commitment to these objectives was part of the basic tenets of our national policy. Without even waiting for the results of the Uruguay Round, we embarked on a process of fundamental restructuring of our economy, the hallmark of which has been deregulation, liberalization and privatization, of trade, of investment, and of exchange policies. Even before the conclusion of the negotiations, we also moved to substantially reduce our tariffs, and are determined to continue along this course. In fact, Pakistan's example has encouraged other countries in our region to follow the same path.

Meanwhile, in order to achieve our objectives in the Round, we devoted the best of our scarce expertise and personnel to the exercise. Many basic principles were agreed. Some of these were already inscribed in the books. Others were innovated to sort out the problems of a new and better tomorrow. Our negotiators worked painstakingly and painfully, elaborating the texts which are before us today, in which each word, each comma, has a story of its own.

During the entire process, we believed that we were moving forwards towards a better future, and that is what sustained us. All of us contributed our best. We can all share, therefore, in the satisfaction that we have at last come to the end of the road. Naturally, some would be happier than others. On our part, we would have hoped for more, as we had legitimate expectations in areas that held out the greatest promise for us. As a developing country, these areas were limited in number and scope, for were it not so, Pakistan would not be a developing country.

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From Pakistan's point of view, the results of these negotiations have been, frankly, disappointing. Tariff reductions in our major markets have been much less than the normal one-third in precisely the product areas from which developing countries like Pakistan derive main export earnings. In textiles, a derogation from the normal GATT rules has been legalized for a long period of 10 years; this perhaps to assuage a small but vocal lobby in a number of developed countries. In agriculture, massive subsidization, both for production and export, in the same developed countries, has also been legitimized, in return for a promise for reform at an undetermined point of time in the future. In services, the single most promising area for countries with abundant labour and skills like Pakistan, the movement of natural persons, has been virtually excluded from substantial commitments by the developed countries. In the strengthening of rules, too, we have had to concede in areas such as anti-dumping, countervailing, and safeguards, again to accommodate incessant protectionist manoeuvring in the developed world.

Despite all this, Pakistan has decided to accept the results of the Round in the interest of preserving and consolidating multilateralism, because we believe that this is the central principle on which economic relations among nations ought to be based and because only multilateralism can prevent the erosion of an inter-dependent world through fissiparous unilateralism and regionalism.

With the conclusion of the Uruguay Round, we would have hoped to see a reversal of the forces of protectionism in all its manifestations. This may, however, not be the case. The calls for negotiations in the WTO on new issues appear to signal a new brand of protectionism under the garb of the protection of the environment or the promotion of the rights of workers in developing countries. While we live in a global village in which it is indeed imperative to recognize the fundamental commitment of our peoples to environmental responsibilities and labour rights, questions nevertheless arise about the untenable interlinkages which are being created between these aims and purely trade concerns. Many doubts have therefore been justifiably raised about the intentions underlying the deliberate use of these interlinkages for protectionist ends. It is not without reason that "green protectionism" and "blue protectionism" have entered the jargon of our lexicon today. Pakistan, like all other developing countries, looks at these intrusions with deep concern. The proponents of these new ideas have an obligation to allay these concerns.

We would not like to leave any illusions as to Pakistan's position with respect to the issue of the so-called labour standards. We are of the considered view that this is not a trade issue *per se*, nor does it fall within the competence of WTO. We also feel that it would not be prudent to raise such issues, especially when they could provoke proposals for several other themes for inclusion in the agenda of the WTO. Besides over-burdening an as yet nascent organization, it would not be conducive to a smooth and healthy launching of the WTO. In fact, of immediate importance ought to be a universal concern to promote a dialogue aimed at devising ways for the alleviation of poverty in developing countries by an urgent consideration of the issues that impede their export trade, including through restrictive immigration policies.

Much will now depend on the manner in which the results of the Round are implemented, and the speed with which this implementation is executed. Pakistan believes that this implementation should start from 1 January 1995. We also hope that none of us will yield to the temptation of twisting the new rules to serve narrow protectionist purposes. Of course, this will involve sacrifices for each one of our countries, but these sacrifices will have to be made in an endeavour that is for the benefit of all.

While sounding these notes of caution, nothing should diminish our happiness in joining all those present or represented at this historic meeting in celebrating the conclusion of the Round. There is the promise of a new beginning here, with a universal organization in which we look forward to see China also occupy its right place. Let us all voice our hope and confidence that this heralds an area of progress and prosperity for all peoples.