Attached is the text of the address given by Mr. Arthur Dunkel, GATT Director-General, to the eighth session of the United Nations Conference on Trade and Development in Cartagena de Indias, Colombia, on 10 February 1992.
Mr. President, Ladies and Gentlemen,

Allow me first of all to express my gratitude and appreciation for the warm hospitality extended to me by the Government of Colombia. I would also take this opportunity to place on record my appreciation for the efforts made by my colleague, Mr. Kenneth Dadzie, the Secretary General of UNCTAD, and his staff, to ensure adequate preparations for this Conference.

The dramatic political and economic changes taking place in the international arena have already made the 1990s a major watershed in recent human history. These changes - and their implications - have been analyzed in the comprehensive UNCTAD documentation you have before you. First of all, I have in mind the impressive movement towards market-oriented reform and political democracy in Latin America, Asia, Africa, in Central and Eastern Europe and in the Republics of the former USSR. But, I also have in mind the trend towards a rapidly integrating world economy; the explosion of technological knowledge and change; the important shifts in the competitiveness of nations leading to changes in the production and exchange of goods and services in international markets; and the world-wide hunger for investment.

All this means that multilateral economic cooperation is even more important than before - not just as a general political concept, but in a very real and concrete "bread and butter" sense. Take the international trading system for example. More open markets mean greater and more varied trading relations among nations. But they also mean increasingly fierce - and often bitter - competition among nations and private operators for capturing the new opportunities created. Unfortunately, in the real world, opportunities and the potential for conflicts tend to go together - particularly so when we see that international trade has already become a major creator of national incomes, of national growth, and of job creation. This evolution is remarkably clear - both for developed and developing countries. In fact, the contribution of international trade to GDP is far more pronounced in large parts of the developing world.

From the point of view of the organization I represent - the GATT - I welcome this evolution towards the lowering of barriers separating people engaged in economic activity. But the GATT is also pragmatic and aware that the ideal of totally free markets is, for the foreseeable future at least, more in the searching than in the finding. GATT acknowledges, therefore, the need that nations may have to protect themselves temporarily from the rush of imports, as it does their desire to encourage exports. It acknowledges the constraints that trade policy-makers have due to balance-of-payments problems or, even more importantly, due to pressing development priorities. The GATT philosophy certainly does not advocate that trade growth can be a panacea for all ills. It does, however, stress that bad and restrictive trade policies -
or cutting sectors of production away from the winds of undistorted competition - lead to more, not less, problems including the weakening of the overall economic and social structure itself.

GATT's framework of contractual rules and disciplines is designed precisely for the purpose of providing nations with a multilaterally-agreed yardstick for competing with each other on the international marketplace. The central pillar is non-discrimination. The entire structure is anchored in the belief that undistorted competition is a spur to positive and continuous adjustment towards self-sustaining development. I know the governments assembled here - and my colleagues in UNCTAD - share these views.

But I should also point out that while the need for an open, liberal trading system is even more urgent in today's environment, the task of maintaining such a system has become more complex and more politically demanding. An integrated world economy has blurred the line between actions taken by governments in the international trade arena and their so-called purely domestic measures which, up to now, have been considered as being entirely within the domain of national sovereignty. It is no accident that the international accountability of countries, and the multilateral surveillance of actions within national frontiers are extending further and wider, and the demands of transparency becoming heavier to bear.

In this sense, all nations - big and small - will be required to subject themselves to greater exposure to the outside world. In fact, it is the willingness of individual governments to expose themselves to the positive outside pressure of disciplines and obligations, which each of them have collectively assumed on the international scale. The task is clearly difficult under the best of circumstances. In open democratic societies, there is the greater challenge of heeding public opinion without allowing specific short-term problems to compromise the longer-term vision. For example, it is easy to see the opposition that positive outside pressure would meet from well-entrenched lobbies and vested interests accustomed to long years of protection and artificial respiration. Political courage under these circumstances is by no means easy. But, it is equally clear that success in our endeavours can only be achieved if governments rise to the challenge. Clearly, governments would find it easier to act individually if they are seen to be acting efficiently multilaterally. And, clearly, in the task of providing efficiency and credibility to the multilateral system, leadership has to come from the big and powerful.

In these circumstances, the multilateral trading system must serve two essential goals. One, it should provide the security and predictability for undistorted competition on the basis of clear-cut, multilaterally-agreed rules. And two, it should serve as a credible reference point for the domestic, political and economic reforms being pursued by governments all
over the world. This, indeed, is the essential task before us. If we succeed, enhanced international cooperation will continue to contribute to widely-shared economic growth and development. If we fail, there will be major negative implications for social stability and for international peace and security. The choice is clear. Succeed we should because succeed we must. And to succeed, no country or group of countries can afford to stay away or step aside. All have to contribute according to their capacities and their circumstances. Special privileges and short-term arrangements cannot, in the long run, survive or prove beneficial if the main system is itself allowed to decay.

UNCTAD VIII is meeting at this critical juncture of our history. Your work in the coming two weeks will be a major contribution to the task I have just described. Your governments know very well that the path is not an easy one. Things are not made easier by the economic environment in which we are operating. Prospects of economic recovery in the major economies, the outlook for growth in developing countries, and developments in Central and Eastern Europe, as well as in the former Soviet Union, are marked by uncertainty. Last year provided some increase in the volume of production and trade; but it was also our third consecutive year of declining trends. Forecasts for 1992 promise only a modest improvement. Clearly, such a situation will not provide the stimulus for meeting the debt-servicing difficulties of many developing countries, the intractable problems of Africa, a continent to which most least-developed countries belong, or the market-oriented economic reforms being undertaken in a great number of countries. Waiting for things to happen will not do. Putting ourselves on "automatic pilot" and hoping for the best is a recipe for disaster.

A number of concrete actions, deliberately taken and courageously pursued, are needed for the economic stimulus the world economy so badly needs. The market-oriented economic reforms in a broad cross-section of countries must be given all encouragement to continue and flourish. The major economies, which have dominated the world trading system for so long and have benefited from it so greatly, must keep themselves open and liberal. Conditions must be created for generating non-inflationary growth in the world. Capital flows must be liberalized and augmented. These are only some elements that come to mind. There are, of course, many others. But if there is a common thread running through all these, it is that governments must ensure that the structure for multilateral cooperation - in the trade, finance and development fields - should, together, create an environment of security in which traders, producers, consumers, exporters, importers and investors all over the world can get on with their business with confidence.

And this, Mr. President and distinguished delegates, brings me to my central point.
I am particularly happy to be here because I see the efforts your governments will be making during this UNCTAD meeting as complementing and re-enforcing the efforts that your governments are simultaneously making in another forum towards bringing the Uruguay Round of multilateral trade negotiations to a successful conclusion. In both instances, the concerns and the objectives are the same. The "general" and the "overall" merges with and supports the "specific" and the "contractual". The Uruguay Round is an overall package of specific rights and obligations mutually negotiated and accepted, with strengthened dispute settlement provisions and a multilateral surveillance mechanism to back them up. But the Uruguay Round, broadly seen, is also the first real opportunity to put in place a strengthened and expanded multilateral trading system able to serve the changing needs of the international trading community for the remainder of this century and beyond. It is also the first opportunity to have a membership genuinely representative of the interests of nations round the world.

With one hundred and eight participants in the Uruguay Round and the increase in GATT membership to its current level of one hundred and three contracting parties - mainly through accession of developing countries - the multilateral trading system has gained new supporters. The present GATT members, as well as the countries which are seeking accession, increasingly see the GATT as the only secure route for their integration in the mainstream of the world economy. Many of these hopes and aspirations are tied to a successful end to the Uruguay Round negotiations.

Your governments know too well the ambitious negotiating agenda. They know also the high stakes involved. And, finally, they know that important work still remains to be accomplished if the negotiations are to succeed.

We ended 1991 with a comprehensive document entitled "Draft Final Act". This document brings together for the first time, the results of five years of intensive negotiations. Also, for the first time, it gives to governments a complete presentation of the scale and breadth of the results and the potential benefits for the world economy. These results include significantly improved market access for industrial and agricultural products, a whole-scale reinforcement of GATT rules and disciplines, including areas like safeguards, subsidies and anti-dumping and dispute settlement procedures, bringing long- neglected sectors like textiles and agriculture under GATT disciplines, and extending the benefit of multilateral rules to new areas of increasing economic importance, like services and intellectual property rights and trade-related investment measures.

The active participation of the developing and least-developed countries in the negotiating process from the beginning of the Round is reflected in the fact that the "Draft Final Act" includes provisions covering their

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concerns and priorities in relation to all the important elements of the package.

The business community, in developed as well as in developing countries, has waited too long for these benefits. Further delays would lead to deeper and deeper cynicism. Even more importantly, it would seriously test the credibility of governments and their ability to fulfil the promises they have so often made to their constituencies. As long as the outcome of the Uruguay Round remains uncertain, it is impossible for governments and traders to realize the potential that trade holds out for supporting economic growth in the 1990s and the years ahead.

The division of the world into two economic camps - the centrally planned and the market economy - has disappeared. Likewise, the traditional picture of a monolithic South facing a monolithic North is gradually changing. In the Uruguay Round, in particular, we have seen coalitions of interests emerging on the basis of national trade and economic interests rather than on geographical ties. Growing economic interdependence has created alliances which cut across continents and countries. This should be welcomed. It is our best hope for ensuring world economic growth and spreading prosperity all over the world. It is indispensable to sustain the "new world order". The Uruguay Round is the instrument for achieving this global system in the trade field.

A strengthened multilateral trading system would help governments to anchor current regional integration developments and initiatives in a clear framework of global disciplines and integrate regional markets with global markets. Such a system would also make international economic cooperation more effective in coping with issues on which the debate has just begun, such as the interaction between trade and environment and how best to reconcile often competing demands in these areas.

The hour of truth for the Uruguay Round has arrived. All governments support a quick and successful conclusion of the Round. A clear window of opportunity to achieve this goal lies in the weeks ahead. Clearly, a reinforced and credible trading system will best protect the trading interests of all. Such a system is now within our reach. I hope the coming weeks - and your deliberations in Cartagena - will show that governments are capable of grasping this historic opportunity and not letting it slip away.