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INDIA

Statement by Mr. Pranab Mukherjee
Minister of Commerce

The Uruguay Round will soon pass into history. The rites of passage presently under way give us an occasion to reflect upon what we have achieved, what are our expectations, and how to proceed from here. History will judge us on the basis of how far we were able to genuinely advance the welfare of people worldwide. The standards by which we assess the results of our labour have, therefore, to be exacting.

Between the beginning and the conclusion of the Uruguay Round the world has undergone remarkable changes. In India, we too have undertaken far-reaching and momentous reforms of our economic and trade policies. Although the rhetoric and the terms of the international economic debate have altered substantially in the last eight years, the underlying reality of acute differences between levels of development and incomes amongst nations remains unchanged. These inequalities have enough latent heat to melt down the most elaborately engineered structures. The long-term survival of the multilateral trading system will depend upon reducing the present inequities.

The Uruguay Round results, to which the developing countries have made substantial contribution will bring about a more keenly competitive international trading environment. It is ironical that while developing countries have accepted the logic of competition based on comparative advantage, the industrialized nations appear to be shying away from the playing field and seeking a tilt in the rules of the game. I will revert to this a little later. Meanwhile, let me emphasize that the establishment of the World Trade Organization should lead to a more open trading environment: otherwise its promise will remain unrealized.

Since the founding of GATT, India has subscribed to an open, rule-based multilateral trading system. The initiation of the Uruguay Round negotiations, with a scope which went far beyond the original charter of the General Agreement, caused grave misgivings in India. We negotiated in good faith and contributed to the Round in all areas. We have joined the consensus on the Uruguay Round results even though in some areas we would have preferred these results to be different.

In my country, assessments of the Round are divergent and there is a campaign which has spilled over into the streets. This is a cause of concern in a democratic and pluralistic policy like ours. Even so, we intend to submit the results of the Round for ratification by our competent authorities in the hope and expectation that there is a shared commitment to rule-based multilateralism by all countries, big or small. The new structures will justify themselves, only if, they lead to increased trade

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e that nations enjoy.

In this context we welcome the promise of the integration of the textiles and clothing sector into the General Agreement. The MFA was a discriminatory derogation from GATT, and its integration

into the multilateral trading system was long overdue. It is disingenuous to expect that developing countries need to pay for this integration and are obliged to offer reciprocal market access.

Negotiations on financial services and movement of natural persons have been kept open. We are disappointed at the thinness of results in the area of movement of natural persons. We view the forthcoming negotiations as a process in which there will be improvements in the market access package in respect of movement of natural persons.

As regards the WTO, in our view its immediate concern should be to focus on the implementation and consolidation of the results we have achieved. This in itself will provide a substantial agenda to the WTO.

The agreement on agriculture will need to be refined in future so that greater liberalization can be achieved and trade distorting practices disciplined without affecting in any way the developmental programmes and social objectives of developing countries. My Government is firmly committed to protecting the interests of our farmers who constitute the country's life-line and to the objective of ensuring food security for our people.

Fears have also been expressed in many developing countries regarding the possible increases in the prices of patented drugs under the new TRIPs regime. We stand committed to the prevention of exploitative pricing of life-saving drugs in our country.

The relationship between trade and environment has been the subject of discussions in GATT for some time now. In one of our decisions we are going to authorize the continuation of these discussions within defined parameters. We recognize the need for environmental protection. Our experience tells us that a degraded environment is equally a manifestation and consequence of poverty. Rushing into trade policy measures without addressing the root cause of environmental degradation would only lead to protectionism in the name of environment and such an exercise would be counterproductive.

In the past few weeks there have been attempts to link social policy concerns, namely labour standards, with trade policy. I would like to state categorically that, while we are strongly committed to internationally recognized labour standards, we see no merit whatsoever in the attempt to force linkages where they do not exist. Trade policy cannot be made the arbiter of all concerns: it should be confined to concerns it can address efficiently on the basis of generally shared perceptions and considerations.

As already flagged by some other delegations, there are certain significant issues of trade policy which could not get discussed in the Uruguay Round, and any future work programme of the WTO should try to address them first. These are matters relating to restrictive business practices and other aspects of competition policy.

Another set of issues merits urgent consideration in the context of the globalization of the world economy. I refer to the movement of natural persons. Only a small part of this subject has been covered under GATS. However, the wider issue of the impact of immigration policies on the trading system is yet to be addressed. Given the importance of factor movements in the production of goods and services and hence of trade, it presents itself obviously as a priority area for attention in the WTO. The relationship between immigration policies and international trade is direct and apparent. My delegation would therefore suggest this issue be considered for discussion in the PREPCOM for

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O. We attach great importance to this request of ours.

I would like to avail this opportunity of expressing my deep gratitude to the Government of His Majesty King Hassan II of Morocco for hosting this historic Conference. The arrangements are superb, the climate salubrious, and above all, the people are warm, hospitable and friendly. Being here in Marrakesh has been a singular experience.

I would like to conclude by recalling the promise of the Uruguay Round. That promise was the expansion of trade opportunities for all countries. Expanded trade should create more opportunities and enhance welfare and improve the quality of life. It should in particular protect the weak and the vulnerable among the comity of nations. It is on the fulfilment of this promise that posterity will pass judgement on our efforts. And it is this promise that we have to strive to fulfil.