

CANADA

April 19, 1990

MTN: STRENGTHENING THE OPEN MULTILATERAL TRADING SYSTEM

THE GLOBAL TRADING ENVIRONMENT

When the Uruguay Round was launched in 1986, Ministers embarked upon the most ambitious, complex and comprehensive multilateral trade negotiations yet undertaken. They agreed to seek to liberalize agricultural trade and bring it under the GATT; to substantially reduce tariffs and non-tariff barriers to trade; to review and strengthen the effectiveness and fairness of the major trade rules; and to extend the benefits and disciplines of the multilateral trading system to the new areas of trade in services, trade-related intellectual property and trade-related investment. Achieving a large substantive outcome of the MTN in these areas by the Brussels Ministerial meeting next December is a fundamental challenge for the success of this Round.

When Ministers agreed to the Punta del Este Declaration, they also recognized the importance of using the Uruguay Round to strengthen the institutional framework of the multilateral trading system. The following objectives were included in the Declaration:

- * to strengthen the role of the GATT to improve the multilateral trading system;
- * to increase the responsiveness of the GATT system to the evolving international economic environment;
- * to strengthen the inter-relationship between trade policies and other economic policies affecting growth and development;
- * to enhance the surveillance in the GATT to enable regular monitoring of trade policies and practices of Contracting Parties and their impact on the functioning of the multilateral trading system;
- * to improve the overall effectiveness and decision-making of the GATT as an institution;
- * to increase the contribution of the GATT to achieving greater coherence in global economic policy-making through strengthening its relationship with other international organizations responsible for monetary and financial matters.