

# WORLD TRADE ORGANIZATION

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## BRAZIL

Statement by H.E. Mr. S. Rego Barros  
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In reviewing the developments in international trade and the WTO activities, I would like to share with the other Members in this meeting some remarks on the first year of the WTO and to reaffirm Brazil's commitment to trade liberalization.

My country attaches the utmost importance to the strengthening of the multilateral trading system. This has been greatly achieved by the results of the Uruguay Round and the subsequent implementation by Members of the agreed provisions, which required the introduction of new legislation or the amendment of existing domestic rules. It is our belief that we need to enhance WTO's moral authority and credibility in order to preserve the balance of rights and obligations reached at the Uruguay Round package of agreements and decisions.

WTO's first year of existence has demonstrated the complexities of implementing a series of new rules. Different agencies or ministries in our capitals and both the Secretariat and the delegations in Geneva have had to cope with challenging tasks. As the Director-General summarized in his annual overview of developments in international trade and the trading system, the implementation process comprised three categories of activities:

1. The fulfilment of notification requirements;
2. the implementation of substantive commitments to bring legislation into conformity with WTO obligations and to comply with the tariff reductions scheduled along the lines of the market access Marrakesh Protocol; and
3. the fulfilment of various tasks (such as annual reviews) laid down in the WTO agreements.

The fulfilment of those obligations included, inter alia, 215 notification requirements and compliance with 74 WTO provisions for reviews, further negotiations and cooperation as well as with other decisions and declarations related to the implementation of the results of the Round. Many countries have had to consider and approve domestic rules which simply did not exist in their legislation before, such as, in the case of Brazil, legal provisions and regulations on safeguards. Particularly for developing countries, all those obligations seemed to be harder to fulfil, since their governments often lack financial and technical resources to make use of trade remedies through appropriate new legislation.

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These tasks were supplementary to others in course related to the transaction of unfinished business from the Round, such as the negotiation of agreements on trade in some services sectors. If we add to those duties the examination of entry conditions for 36 new Members, we can realize the size of the workload we have had to face in this first year of operation.

The implementation of WTO's new obligations has coincided with some trends of the international economy which have reduced governments' capacity to regulate and control the domestic economy, such as the increase of capital volatility and other realities resulting from the globalization process. From the Brazilian perspective, the implementation of the Uruguay Round has also coincided with the negotiation and the entry into force of MERCOSUR, a customs union that requires growing attention and involvement from our trade policy authorities.

The magnitude of those responsibilities should not, however, divert us from the main goals of trade liberalization expected from a trustful multilateral trading system. In some WTO meetings, Brazil has referred to the sustainability of trade liberalization. We believe that moderation and carefully taken steps are necessary to avoid internal counter-productive effects resulting from hasty actions.

That word of caution is based on the experience of many economies that are going through trade liberalization programmes, concurrent with fiscal adjustments, budget cuts, privatization, fiscal reforms etc. It is important to note that those reforms tend to reduce the human and financial resources available in governments to absorb and apply new international trade rules. They often require constitutional changes which involve political discussions and media exposure. Some of the new institutions and concepts brought about by the Uruguay Round are not yet fully understood domestically and are overshadowed by other national priorities.

In spite of the natural difficulties found during WTO's first year of existence, it is the view of my country that all efforts should be made to overcome those initial stages and put in operation all the mechanisms foreseen for the Organization.

My Government is engaged in the task of implementing WTO's decisions with a spirit of cooperation and a sense of realism that derives from this first year of experience. We are fully conscious of the difficulties to embark on new projects when there is still so much to be done. At the same time, we are willing to discuss and examine with an open mind the new ideas that have been put forward regarding WTO's future.