



PRIME MINISTER

129/92

STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING, MP

URUGUAY ROUND BREAKTHROUGH

I warmly welcome today's announcement that the United States and the European Community commission have resolved their outstanding differences over agriculture in the Uruguay Round Negotiations.

Both sides are to be congratulated on the flexibility and statesmanship they have demonstrated in reconciling a dispute which threatened not only to terminate the Round but to substantially increase trade conflict.

This breakthrough represents in my view the most important achievement since the round commenced six years ago and is an historic step in bringing fair trade to agriculture.

Announcement of the agreement will have a significant favourable impact on world economic confidence at a time of slow growth and international pessimism.

I particularly applaud the work of President Bush and his administration in working tirelessly to complete this agreement before the end of the year. It is a fine parting gift to the world from a President who has already contributed so much in international affairs.

The U.S. Administration kept the Australian Government well informed during the negotiations and we accept the agreements reached in agriculture as a sensible compromise which will both assist low cost agricultural exporters like Australia and pave the way for the settlement of all the remaining issues, including services and market access, in the Round.

Through its leadership of the Cairns Group agricultural fair traders Australia has played a key role in insisting that any outcome to the Round had to include reform in agricultural trade.

The agreement calls for a 20 per cent reduction across the board in internal supports for agriculture. It also provides for a 36 per cent reduction over six years in the amount of money spent to subsidise agriculture exports and a 21 per cent reduction in the volume of subsidised exports.

The agreement will over time substantially inhibit subsidised agriculture exports by all signatories, including the US and the European Community, increasing the competitiveness of unsubsidised exporters such as Australia.

Now that the breakthrough in agriculture has been achieved the negotiations will be brought back into the multilateral discussions in Geneva where all participating countries, including Australia, will play their part in reaching a final agreement on the draft Final Act to the Round (the so called Dunkel package which has been on the table in Geneva since December 1991) and the subsequent conclusion of negotiations of specific commitments for market access liberalisation in industrial products, agriculture and services.

A successful Uruguay Round package bringing a liberalised trade outcome to industrial tariffs, textiles, agriculture, services and more effective trade rules will bring enormous benefit for the global economy as a whole and assist in leading the whole world into stronger growth.

CANBERRA
21 November, 1992.