

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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COLOMBIA: STATEMENT AT THE MEETING OF THE GATT CONTRACTING  
PARTIES AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,  
PUNTA DEL ESTE, URUGUAY

The Government of Colombia, under the Presidency since 7 August of Dr. Virgilio Barco, is attending this Ministerial meeting of the GATT CONTRACTING PARTIES in a spirit of faith and optimism that its outcome will restore confidence in multilateral co-operation, which over the last decade has been undermined by protectionism inimical to the principles and rules of world trade.

We might have saved time if the political will to carry out the work programme adopted at the previous Ministerial meeting in 1982 had been forthcoming, especially on the part of those countries whose influence on the flow of international trade is decisive.

The fact that the venue chosen for the definition of a New Round of negotiations is for the first time a developing country, our neighbour the Eastern Republic of Uruguay, implies recognition of the importance assumed by the countries of our region in helping to define the direction marked out for the world economy and ensuring the success we all desire for this meeting.

The New Round of negotiations must take the form of an effective effort towards liberalizing and strengthening the multilateral trading system, to be reflected in an improvement in the trade flows of the developing countries.

In its desire to contribute to this, Colombia, in conjunction with Switzerland, has submitted a draft Ministerial Declaration (PREP.COM(86)W/47/Rev.2). This document represents the fruits of intensive consultations among a large number of countries, developed and developing, in the Preparatory Committee for the negotiations, and it could well serve as a basis for the deliberations at this meeting.

If we are anxious to strengthen the multilateral trading system, we must embark on these negotiations with firmness, decisiveness and sincerity. We must adopt a formal commitment, to be applied forthwith, on the "standstill and rollback" of the barriers to international trade, which are incompatible with the General Agreement. Furthermore, to ensure its implementation, the Trade Negotiations Committee must decide unequivocally and immediately what are the most appropriate effective mechanisms for multilateral surveillance.

Neither during the Tokyo Round nor as part of the activities in connection with the work programme of the 1982 Ministerial Declaration was it possible to conclude an "agreement on safeguards". Such an "agreement" must be concluded at the earliest possible moment; it must be in keeping with the basic principles of the General Agreement and it must apply to all the CONTRACTING PARTIES to GATT. Until this is done, there will be no progress in international trade.

The proposed negotiations are expected to take some four years. However, in view of the critical situation facing the developing countries, we cannot wait until 1990 for the agreements taken in our favour to come into force. Colombia urges the adoption and implementation of a time-frame giving priority to the launching of negotiations and the application of the agreements reached on subjects such as tropical products of special and critical interest for developing countries.

Tropical products are of major importance for the developing countries. At the end of the Tokyo Round and in the 1982 Ministerial Declaration it was agreed to undertake negotiations on this subject. But although two consultation sessions were held, this fulfilment of this commitment by the industrialized countries did not take place. In the trade negotiations beginning here today at Punta del Este, those concerning tropical products must be included and started immediately, in a determined effort to conclude them within a very short time.

Agriculture is a sector of particular interest to my country. The negotiations on this subject must solve problems such as those of subsidies, since Colombia and many other developing countries are losing markets daily in the face of the impossible task of competing with products highly subsidized by the developed countries. A case in point is meat. We find our export earnings dwindling as a result of surpluses caused by the subsidies in question, as in the case of sugar and many other products. The developing countries cannot possibly compete with the vast sums assigned today by the developed countries to subsidize and sell their own products in the various markets.

As the CONTRACTING PARTIES are aware, Colombia has been unsuccessful in its desire to take part as a full member in the "Agreement on Subsidies and Countervailing Measures" because of the conditions required of us, which would affect our development situation, our finances and our trade. We hope that the examination which will have to be undertaken on this occasion of Articles VI and XVI of the General Agreement and the Agreement on Subsidies and Countervailing Measures in the negotiating group to be set up for the purpose will make it easier in the future to apply these rules in a more transparent fashion, bearing in mind the peculiar situation of developing countries.

GATT's attention should not continue to be concentrated first and foremost on the solution of problems mainly of interest to the developed countries. It must be recognized that until now, negotiations carried out

under the General Agreement have paid only marginal attention to the needs of the developing countries, and these needs must be the priority concern of the CONTRACTING PARTIES meeting here today. Hence our insistence that in these new negotiations, the main subject should continue to be international trade in goods.

In spite of the foregoing, Colombia recognizes the growing importance of services in the world economy and their strategic nature in economic and social development both in the industrialized countries and in developing countries. We are likewise well aware of the primacy given by some of the countries represented here to initiating multilateral action on international trade in services.

We therefore feel that when the CONTRACTING PARTIES come to decide as to the way of dealing with the subject of services, they should take care to ensure that there is no swapping of concessions and agreements between the goods sector and services sector. It is also important to reiterate our conviction that the present rules of the General Agreement do not cover international service transactions.

To be able to crystallize this differentiation in the treatment of each of these sectors, we feel that the negotiation of services should be done in a negotiating committee independent of the Trade Negotiations Committee as envisaged in Section VII of the draft Declaration submitted by Colombia and Switzerland, in both instances under the aegis of the GATT CONTRACTING PARTIES.

With regard to foreign investment, while Colombia regards it as of the utmost importance, we feel that its inclusion in the New Round is premature, and that before any decision is taken, much more profound study needs to be made of its potential impact on and its relation to the action in regard to trade being undertaken by the General Agreement. Similarly, it is essential to deal satisfactorily with other subjects which have been left in abeyance for a long time and to generate a consensus in regard to the various aspects and implications of this subject.

I am sure that among the various subject on which there is full agreement is that relating to the need for improvements in the functioning of GATT. One of the main activities incumbent on GATT in the future must be the enhancement of multilateral surveillance with a view to regular monitoring of trade policies and practices of contracting parties and the impact of such policies on international trade.

Colombia is of the opinion that however successful the results of this New Round of negotiations may be, our work is bound to be incomplete and inadequate to solve the pressing problems facing the developing countries over so many years unless at the same time we succeed in stabilizing markets and prices for our basic products, making headway towards a solution of the problem of debt, and finding the external financial resources the developing countries need if they are to eradicate poverty and improve the living standards of their citizens. These are the objectives on which the efforts of Colombia will be focused in the appropriate forums.