

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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BRAZIL: STATEMENT BY MR. ROBERTO DE ABREU SODRE,  
MINISTER FOR EXTERNAL RELATIONS, AT THE MEETING OF THE GATT  
CONTRACTING PARTIES AT MINISTERIAL LEVEL,  
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

A happy consensus on the choice of Uruguay and of Punta del Este as the venue of this Ministerial meeting of the CONTRACTING PARTIES brings us once again to our neighbouring sister country and to this beautiful city, the epitome of traditional Uruguayan hospitality. Similarly, we are happy to be working under Your Excellency's skillful guidance, a guarantee that agreement will prevail over divergencies and that the interests of developing countries will not be marginalized in the future negotiations we are hoping to launch.

Our task is not easy but it is feasible. The world economy is undergoing profound disturbances and transformations, whose negative effects have once again fallen heavily on developing countries. These changes are conspicuous in the field of trade, where we are witnessing an unprecedented weakening of the multilateral trading system and its principal institution, the GATT. Symptomatic of that weakening are: intensification of protectionism and of trade disputes, leading to an increasingly administered form of trade; reversion to bilateralism; and recourse to threats in order to force concessions. Added to those negative symptoms are the persistent deterioration in the terms of trade of developing countries and the growing disorganization of agricultural markets as a result of the mistaken policies of the principal trading nations.

Nevertheless, it would be misleading to attribute all of the ills of the world economy to the area of trade. Many of the causes of the present grave situation are to be found in disorders in the monetary and financial field. To overcome the difficulties in the world economy, we must attack monetary and financial problems immediately, and in parallel with the treatment of trade issues. The absence of a lasting and broad solution of the problem of external debt compels developing countries to transfer abroad a substantial quantity of their liquid resources, in a proportion which gravely affects the resumption of their development. The absence of generalized implementing rules, the existence of ad hoc arrangements limited to a small group of countries, the abrupt fluctuations of exchange rates, and the contraction of financial flows for development are indicative of the depth of the monetary and financial crisis, and demand the urgent reconstruction of an international system.

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In spite of these well-known external adversities, the Government of Brazil is successfully developing a broad effort to reactivate the economy. Growth with social justice is an unpostponable demand of our peoples. To enable our national effort to be fully productive, however, there is need for an open and stable multilateral trading system that guarantees access of our products to the international market and does not hinder our development prospects in the new sectors of the world economy. Brazil does not accept a new international division of labour that is as excluding as, or more excluding than, the one which it has been sought to foist upon us in the past.

Brazil has come to Punta del Este with the intention of preserving the multilateral trading system and the GATT, and of seeking solid guarantees that the gains of the past will not be wasted by non-observance of the principles of multilateralism and non-discrimination. To build it is necessary to strengthen the foundations of the GATT, which have been shaken by a plethora of measures by the principal developed countries that are inconsistent with the General Agreement. Therefore, we must enter into firm and reliable commitments not to expand already existing restrictions and to eliminate barriers to trade which have no support in the GATT.

The effort to strengthen the GATT would not be complete without an additional movement, within the rules and principles of the General Agreement, of liberalization of trade in goods. Brazil supports such an effort and is prepared to participate in it. The guarantee of our participation cannot but be the acceptance of the basic claims of the developing countries when the Round of negotiations is launched.

The position of Brazil regarding the so-called new subjects is very well known. The results of the discussions in GATT and in other forums on the question of services have only confirmed Brazil's conviction that there is no clear concept of the subject-matter and much less a consensus concerning multilateral action in GATT.

Our position continues unchanged. We shall not cease to work indefatigably for a consensus but we shall object to any attempt to impose solutions.

In a constructive spirit, we shall not reject consideration of an approach to the question of services which, while taking into account the priority that some attribute to multilateral action in that area, would wholly respect the position of those who, like Brazil, reject the inclusion of services in a Round concerning goods within the scope of the GATT.

We are prepared to work with determination for the success of this conference of Punta del Este. We are prepared to help make a New Round of trade negotiations viable. Our labours will have meaning if we achieve a genuine effort of international co-operation and of recovery of multilateralism. If our deliberations are to have lasting consequences, we must reject the errors of the past and build a more just trading system, inspired by the best ideals of international co-operation and coexistence.