

GENERAL AGREEMENT ON TARIFFS AND TRADE

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

Allow me at the outset to convey through you to the President of the Republic of Uruguay our sincere thanks for inaugurating this important and historical meeting of GATT CONTRACTING PARTIES; our memories are still fresh with his recent visit to Egypt. I would also like to convey our sincere congratulations to yourself, for being elected to chair this meeting; I am confident that with your vast experience and wise guidance our deliberations shall reach fruitful and concrete results. I would also like to pay tribute to the people and the Government of Uruguay for the hospitality and arrangements we have witnessed since our arrival in Punta del Este.

I recall that since we met last in 1982, the world economic situation has not improved except for one or two years which have witnessed some sort of hesitant recovery, the outcome of which was a prolongation of the debt crisis and a slow down in the implementation of development programmes.

Restrictive trade policies have contributed to bringing about a world-wide contraction in the volume of world trade and we are confronted today with deflationary forces which constitute the single and most pervasive threat to the world's prosperity. It is therefore imperative that the emerging willingness in policy co-ordination be strengthened and directed towards the dismantlement of barriers to trade among which the non-tariff barriers figure the most dangerous impediment to the process of growth and prosperity. We all need to fully co-operate to combat this situation by halting the continuation of this state of affairs and reverse this situation into a solid and sustainable recovery.

Next year we shall celebrate the fortieth anniversary of GATT. This occasion might call for a review of the results we have achieved out of this agreement, which consists of the world's main legal instrument for free trade.

Whilst GATT through the seven rounds of trade negotiations had lowered tariff barriers there was an intensification of tariff escalation and non-tariff barriers together with world-wide use of restrictive business practices. These measures resulted in an adverse effect on the trade of developing countries. In brief, the current international trade situation suffers from an unfinished business in sensitive areas such as tropical

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products and safeguards. Moreover an important sector for developing countries, that is textiles and clothing, is still subjected to a severe restrictive régime which has been renewed for another five years despite the prevailing climate of trade liberalization we are supposed to obtain.

Developing countries cannot conceal their disappointment from the last round of trade negotiations due to the meagre results accrued to them, together with the non-transparency and the creation of sporadic Codes and Arrangements which in our view has weakened the integrity of the trading system.

To restore confidence in the international trading system, we need to implement the decisions taken by GATT Ministers in 1982, which called for a firm commitment on standstill, a time framework for the rollback of non-tariff measures inconsistent with the General Agreement, and to address in a serious manner the unfinished business such as tropical products, safeguards, together with the strengthening of the mechanism of monitoring and surveillance.

We in Egypt have followed an open door policy and we are pursuing this course of action through the application of more liberalization measures.

We support the launching of a New Round of multilateral trade negotiations to be named the Uruguay Round. We hope that this Round will reverse protectionist trends and expand international trade and help increase the share of developing countries in world trade.

Trade liberalization and improvement of access to markets cannot be dealt with in isolation from strengthening the monetary and financial system to cope with the changing economic environment, taking into account the special needs of developing countries.

We took note of the priority attached by some developed countries to the subject of trade in services. But we also recognize that the delinkage between trade in goods and trade in services has to be maintained. We all know that services have their own specificity and that domestic regulations aimed at furthering economic development and socio-political goals should be respected.

To conclude, my delegation came to this Ministerial CONTRACTING PARTIES with an open mind, willing to co-operate with other contracting parties in finding solutions commensurate with the magnitude of the problems lying ahead of us. Let us deepen trust and confidence among the CONTRACTING PARTIES and let us not forget that restoring credibility to the international trading system requires co-operation and conciliation rather than confrontation.