

GENERAL AGREEMENT ON TARIFFS AND TRADE

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TANZANIA: STATEMENT BY HON. B.P. MRAMBA, MINISTER FOR INDUSTRIES
AND TRADE, AT THE MEETING OF THE GATT CONTRACTING PARTIES
AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

Let me first of all take this opportunity to join with the speakers before me in congratulating H.E. Senor Enrique Iglesias on his unanimous election to the chairmanship of this meeting. I am confident that through the able leadership of Senor Iglesias this meeting will proceed to a successful conclusion which will justify the aspirations of millions all over the world who are watching our proceedings with great expectations.

This meeting is being held at a time when we are faced with grave trade and economic problems. Although these problems have affected both developed and developing countries, the effect on developing countries and particularly the least developed, has been catastrophic. Many contracting parties have taken unilateral or bilateral restrictive trade measures without due regard to the procedure for consultation and in defiance of the multilateral spirit of the GATT.

These restrictive trade measures have not only eroded the very significant progress towards regulation and liberalization of trade which had been attained in the past years, but threaten the very foundations of the GATT.

The developing countries have suffered from severe indebtedness and crippling trade and balance-of-payments imbalances arising out of the fall in real terms of commodity prices and the rise in real dollar interest rates.

We in Tanzania have had to endure the continuous decline in our export earnings due to falling commodity prices at a time when both debt servicing and import costs have been rising. This has had the effect of severely reducing our ability to import goods essential for the stimulation of increased production to ensure growth and development. We therefore feel very strongly that this meeting should arrive at a conclusion to set in motion the process that will reverse this decline towards a chaotic world trading system of free for all but in which none of us will be so free to trade freely.

We therefore strongly support the process of launching a new round of MTN and believe that a new round will be able to redress the situation by addressing itself first and foremost to the problems which gave rise to the present crisis.

In this regard Tanzania along with other developing countries participated within the Preparatory Committee in drawing up a draft Declaration for launching the New Round of negotiations. This is the document referred to as W/41/Rev.1 which we believe boldly and realistically addresses the underlying causes of the current crisis and proposes solutions which hopefully will take us out of the present chaos by making all of us more open and responsible in matters of international trade in future.

Let me now turn to the task ahead of the New Round or the Uruguay Round.

The objective of the Uruguay Round should be to preserve and strengthen the multilateral trading system by restoring the damage done to GATT by promoting rapid growth and diversification of trade and by increasing the real export earnings of the developing countries. There must be firm commitments on standstill and rollback; and an undertaking to negotiate a comprehensive agreement on safeguards based on the principle of GATT and containing all the elements enumerated in the 1982 GATT Ministers Work Programme. To inspire confidence and level credibility to the New Round there must be rapid progress in the implementation of commitments made in the Ministerial Declaration of November 1982. In this regard the liberalization of trade in textiles must be translated into specific modalities to ensure that trade in textiles is restored to normal GATT rules at the end of the current Multifibre Agreement.

To achieve these objectives the negotiations must give priority to the following areas:

- (a) The effective and meaningful implementation of the GATT provisions on differential and more favourable treatment of developing countries paying special attention to the least developed among them;
- (b) provisions for duty free and unrestricted access of tropical products to the developed country markets;
- (c) in the treatment of agriculture, the elimination of export subsidies and tariff escalation on agro-based products so as to encourage the expansion of higher value-added production and exports from developing countries cannot be over-emphasized;
- (d) the provision for further liberalization of trade through the removal of tariff and non-tariff barriers and all trade restrictive practices should be stressed;

- (e) the improvement and strengthening of the GATT dispute settlement and surveillance mechanism with a view to protecting the rights and interests of developing countries should not be underrated.

On the question of the introduction of new issues into the GATT agenda for negotiations, we still strongly hold the view that the issues of trade in services, trade-related investment and intellectual property are at present outside the legal competence of GATT. There are appropriate international agencies dealing with various aspects of these services and areas. The conclusions of the exchange of information and consultations initiated in 1984 have not established either the need or the appropriateness of a multilateral approach to the question of trade in services. Instead the exchanges established that there is as yet no full understanding of all the aspects and implications of "trade in services". More so as it often involves the establishment or movement of people and is closely interlinked with the socio-economic structure of a country. However we take note of the fact that a number of contracting parties also feel strongly that trade in services plays an increasingly important rôle in their international trade and should therefore be brought under GATT.

As the strength of our organization often lies on the basis of consensus we cannot simply impose the interests of one group or another. My delegation therefore feels that the only practical course of action in this matter would be to continue with the consultations in appropriate fora until we arrive at a full understanding of the subject of the implications of various issues related to services and therefore of the desirability, appropriateness and modality of a multilateral approach to trade in services. On the other hand, whatever the final outcome of such consultations, any attempt to seek to trade off concessions in the new issues for the mitigation or removal of damage being inflicted on the developing countries through the non-accessibility of their goods in the developed country markets would be a negation of all the principles and commitments made in the past forty years.

My delegation is aware that more work has still to be done in order to correlate action aimed at redressing current imbalances in matters of international trade, money, finance and development. Without positive and courageous action on these issues on a global scale there cannot be much hope for economic growth in the world and especially the developing world. We therefore call on the developed countries to recognize that it is not only private foreign investment or foreign aid which will take the world out of its present difficulties. More significant would be to make reforms in these critical economic areas so that the flow of resources across the world can take place more equitably in the interest of growth and development for all mankind.