

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ZAIRE: STATEMENT BY MR. MUSHOBEKWA KALIMBA WA KATANA,
STATE COMMISSIONER FOR INTERNATIONAL CO-OPERATION AND FOREIGN TRADE,
AT THE MEETING OF THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL,
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

First of all, I would like to express, on behalf of my delegation, our pleasure at being in this hospitable land of Uruguay, on the occasion of this Ministerial meeting of the GATT, and to extend our thanks to the Government of your country for the warm welcome given to us.

I would also like to take this opportunity to convey to you our sincere congratulations on your illustrious election to the chairmanship of this conference. My delegation is convinced that your long experience of international relations and your abilities as a negotiator are a sure guarantee of the satisfactory conduct of our work.

My delegation is also convinced, in participating in this meeting, that all the delegations present at Punta del Este are prepared to take another step forward in the still difficult search for multilateral co-operation of benefit to all parties.

This Ministerial session of GATT is taking place in a world economic context that continues to be difficult.

The international trading system established under the GATT is in serious danger of collapsing. We are all aware of this.

Regarded a few years ago as the motive force for growth and development, it is now showing signs of a deep-seated malaise in international trade relations. They reflect the progressive erosion of the system, a process that is being accelerated by, inter alia, increased recourse to protectionism, bilateralism, disregard for the unconditional application of the most-favoured-nation clause, inadequacy of the procedures for conciliation and settlement of disputes, and the failure of certain contracting parties to honour the legal obligations on which the system is based.

For the developing countries, the international environment continues to be characterized by uncertainties about the future, primarily because of the structural imbalance of their economies, the repercussions of an external debt burden that is increasingly difficult to bear, the progressive deterioration in the prices of their export products, the

shortage of investment capital and the instability of the international monetary and financial system.

I shall not dwell any longer on the serious consequences of these phenomena. They can be summed up quite simply as the continued impoverishment of the developing countries' economies, the progressive shrinkage of their share in world trade and, in general, their inability to finance development.

My delegation further notes that these difficulties have consistently increased in spite of the measures advocated in the various multilateral negotiations held under the auspices of the GATT, UNCTAD and other international institutions.

Doubts are in fact increasingly being entertained with regard to multilateralism, which should be the foundation for international co-operation that is equitable and advantageous for all parties.

In view of the growth of interdependence, it seems useful to continue the dialogue in order to arrive at a consensus on ways of remedying the constraints on the development of international trade.

At Punta del Este, all delegations should strive to live up to this expectation.

My delegation proposes, to this end, that our work should lead to concrete proposals on:

- measures for the liberalization of trade so that this may become profitable for all parties by assuring a better balance between rights and obligations;
- a more appropriate global framework for reaching agreement on trade-policy options;
- the broad lines of modifications to the General Agreement in the light of the evolution of economic and trade structures.

Zaire, which has already made a remarkable effort to liberalize its economy and trade, supports the launching of a New Round of multilateral negotiations under the GATT. These negotiations could also take up new subjects side by side with the traditional issues which are of special concern to the GATT.

My delegation considers that document PREP.COM(86)W/47/Rev.2, which resulted from the work of the Preparatory Committee, could be an

appropriate frame of reference for this purpose despite any inadequacies it may have.

Lastly, I would like to bring two issues to your attention which are of particular interest to my delegation:

- the persistent deterioration in the prices of raw materials,
- the debt crisis of the developing countries.

Since the deterioration in prices affects commodities, from which the majority of developing countries, including Zaire, obtain the bulk of their export earnings, it is a matter of profound concern. We are still, in fact, haunted by the undesirable paradox of "the more one produces, the less one earns".

What is the good of increasing the volume of trade if this does not add to our earnings?

The situation is all the more disturbing in that the various instruments established to bring about a lasting solution, such as the principles defined in Part IV of the General Agreement, and the creation of the Common Fund, are more often than not inoperative or are subject to delays in their application.

In view of this situation, my delegation proposes that the GATT should activate enforcement of the measures envisaged by it within the framework of broader agreements.

The other issue of concern to my delegation is our countries' external debt. Although faced by the progressive erosion of their export earnings, they are at the same time required to service a debt which becomes heavier year by year as a result of the instability of the international monetary system.

This state of affairs has tended to reverse the ratio of capital transfers between the developed and the developing countries, since the capital transferred by the latter to service their debt is growing in volume by comparison with the net flow of capital from the developed countries. This state of affairs is, as I have said, giving rise to difficulties for which there seems to be no remedy except through the adaptation of the existing system for the provision of international capital.

Zaire therefore supports the proposals to open global negotiations on the problem of the indebtedness of the developing countries, and hopes that

sustained efforts will be made in the International Monetary Fund to improve the management and mobilization of international liquidity.

The developing countries should take an active part in these negotiations rather than leave the initiative to the developed countries as is the case at present.

In order to restore international co-operation that would be beneficial for all the contracting parties, the international community must take up the two major challenges with which it is confronted, namely, the danger of a disintegration of the international trading system, and the continuing instability of the international monetary and financial system.

My delegation has noted the numerous appeals made from this podium by most of the delegations which preceded me for broader agreement. The time has come, therefore, for the developed countries which, more often than not, have shown little interest in applying measures to liberalize international trade, to commit themselves openly to eliminating the risk of a collapse of the international trading system.

In concluding, Zaire hopes that the Uruguay Round will signal the birth of a new spirit and will make solid advances in the effort we are all engaged in to establish effective and beneficial multilateral co-operation.