

GENERAL AGREEMENT ON TARIFFS AND TRADE

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ROMANIA: STATEMENT BY MR. ILIE VADUVA, MINISTER FOR FOREIGN TRADE
AND INTERNATIONAL ECONOMIC CO-OPERATION, AT THE MEETING
OF THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL,
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

I should like, first of all, to join the previous speakers in congratulating you on being entrusted with the great responsibility of presiding over this important conference. Allow me at the same time to express to you the gratitude of the Romanian delegation for the hospitable and friendly welcome given us in your beautiful country, as well as for the excellent conditions provided for the work of our conference.

This meeting is called upon to make a major contribution to the efforts being made to overcome the critical situation in world trade, and it is, precisely, in order to obtain this objective that the participating countries must concentrate all their forces, in order to arrest the existing protectionist pressures, to carry on the process of liberalization of international trade and to find equitable solutions to the problems confronting the developing countries. The prospects of the multilateral trading system itself, the strengthening of confidence in the principles and rules of the General Agreement, the taking of concrete steps towards the liquidation of under-development and the building of a new international economic order in fact depend on the decisions to be taken and embodied in the Declaration we are going to adopt.

Our meeting is taking place under conditions in which the world economy and international trade have rather low growth rates that vary from year to year and from country to country, so that we are faced with an unfavourable and increasingly uncertain economic climate. But it is the developing countries that are confronted with grave economic and financial difficulties and are placed in the most critical situation. Most of these countries have extremely large external debts, which continue to increase by reason of the limited access of their products to foreign markets, the deterioration of their terms of trade, the unduly high level of interest rates and the unpredictable fluctuations in rates of exchange.

This critical situation of the international economic and financial system has likewise been brought about by the increasingly frequent use of disguised protectionist measures and recourse to unilateral solutions outside the General Agreement without taking account of common interests and ignoring the fact that, in a world of increasing economic interdependence, unilateral solutions are not viable and weaken the

multilateral framework for co-operation provided by the GATT. In fact, we are witnessing a veritable blocking of negotiations within the international organizations of the United Nations system and of the multilateral mechanisms designed for discussions with a view to solving international economic problems.

Romania and its President, Mr. Nicolae Ceausescu, consider that the extremely grave situation confronting the world economy and world trade calls urgently for strong action with a view to agreeing, through international negotiations, on effective measures to speed up economic and social progress in all countries, to revive economic activity on a world-wide scale and to lay new foundations for international trade relations which can provide equitable conditions for the participation of all countries in world trade, while at the same time ensuring more favourable treatment for the developing countries.

The difficulties confronting the participating countries at this conference are neither identical nor equally serious in all cases. This fact - which should not surprise anyone - explains the differences of opinion on objectives, areas of negotiation and modalities of organization for the New Round of multilateral trade negotiations.

In this situation, it is the spirit of co-operation and understanding that must finally prevail in finding viable solutions.

Romania, which is a partisan of discussion, is convinced that our joint efforts will find a solution and that we shall adopt a Declaration by consensus which, at this stage, should first of all reflect the political will to commit ourselves to a transformation of the international trading system, on the understanding that concrete problems will be solved by real negotiations taking place in different areas with the participation of all the countries concerned.

We believe that the main object of the New Round of negotiations should be to liberalize world trade by reducing and eliminating the tariff and non-tariff restrictions which still hinder trade in industrial and agricultural products and by strengthening the international trading system based on the principles and rules of the GATT.

As regards the other areas and subjects of negotiation proposed, we believe that they should not be taken up at the expense of the traditional subjects, which have particular importance and high priority for the developing countries, including Romania.

The final position of Romania in the future negotiations will be determined by the benefits to be received and obligations to be assumed,

and will depend directly on the way in which its specific commercial interests are reflected in the results of the negotiations.

To make the negotiations credible and to increase the responsibility of the participants, it is also necessary to create an appropriate climate by a commitment not to apply new restrictions during the negotiations and gradually to eliminate those which are not in conformity with the rules of GATT. In this spirit, the renunciation of discriminatory measures and the stable application of most-favoured-nation treatment without political conditions would provide a favourable starting point for the success of the New Round of negotiations.

In the Declaration we are going to adopt, and also in the process of negotiation, special attention should be devoted to the preferential, more favourable treatment accorded to all the developing countries. Apart from preferential tariff treatment - which should be constantly improved - it is necessary for these countries to enjoy a preferential régime in other fields as well. It is also necessary to give effect to the provisions of the General Agreement under which developing countries must not be expected to make contributions inconsistent with their development needs, their finances and the extension and diversification of their trade.

In view of the interdependence of trade problems and monetary and financial problems, we believe that the latter - and first of all the external debt of developing countries - should be given suitable consideration in the negotiating process.

In that connection, Romania is in favour of the overall solution of the problem of foreign debt, which is an unbearable burden for developing countries. Romania and President Nicolae Ceausescu have made proposals for the adoption of a set of concrete measures on this matter. Similar measures call for the cancellation of the foreign debt of the poorest countries; reduction by 50-70 per cent of all the debts and rescheduling of the rest over fifteen to twenty years with annual interest of 3-4 per cent; the granting of new credits to developing countries on favourable terms and at reasonable rates of interest; the fixing of an annual ceiling for payments on foreign debt, which would not be above 10 per cent of the export earnings of developing countries.

This difficult problem cannot, of course, be solved by the General Agreement; but even so, it cannot be left out of account in our future work.

In our view, this Ministerial meeting should adopt a document that is sufficiently broad to be able to guide the new multilateral trade negotiations and recommend immediate action for giving effect to the

decisions and measures agreed in the new negotiations, which we are glad to hear are to be known as the "Uruguay Round".

As a contracting party to GATT, Romania takes this opportunity of reaffirming its confidence in the multilateral trading system based on the General Agreement, and its determination constantly to develop its trade with all countries, within an equitable commercial framework, and to work in the future, also, to strengthen the rôle of GATT in the liberalization of international trade.