

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## STATEMENT BY THE REPRESENTATIVE OF MEXICO AT THE MEETINGS HELD ON 30 JUNE AND 1 JULY 1977

At the meeting of this Group in February last, the Mexican delegation expressed some views on the topics entrusted to the Group for study. Briefly, those views are as follows:

1. The Tokyo Ministerial Declaration must be the starting point for discussion of the legal framework for affording differential and more favourable treatment, and consequently, allowing adaptation of the most-favoured-nation clause in such a way as to permit exclusive treatment in favour of developing countries. We must enlarge and formalize what was agreed on at Tokyo.
2. In considering the application of safeguard measures, there must be recognition of the special circumstances of developing countries that have a trade deficit vis-à-vis developed countries.
3. In the discussion on procedures for consultation, notification, surveillance and dispute settlement, account can be taken of elements such as those discussed in the Sub-Group on Technical Standards.
4. The principle of non-reciprocity should apply as one of the basic rules of the General Agreement.

Considering that the views presented by other delegations of developing countries have established, clearly and systematically, the objectives that we are pursuing, we do not consider it necessary to enlarge upon or add to those already expressed.

We should like now to make some comments on the initial positions stated by some developed countries in connexion with topics 1 and 4.

It has been said that the existing framework already permits special and differential treatment and that no redrafting of the General Agreement would be necessary; that this special and differential treatment cannot be generalized but must be granted individually, that is to say to individual countries on the basis of development criteria that are not known to us; and that such treatment cannot be compulsory or automatic. It has also been stated that the Tokyo Declaration is sufficient to regulate future action.

Curiously, it has also been said that the developing countries must grant some reciprocity or, as it has been termed, should make "contributions".

For our part, we consider that the concepts and principles at present set forth in Part IV of the General Agreement - in particular in Article XXXVII, which has just been quoted - and in the Tokyo Declaration, constitute neither a mandate nor a sufficient legal basis to allow or encourage concrete action in our favour. Experience has shown that Part IV is insufficient to regulate action by the developed countries.

Indeed, at the Tokyo ministerial meeting, Mexico stated that "only through the inclusion in the text of the General Agreement ... of the principles of non-reciprocity, non-discrimination and preferential ... treatment in favour of developing countries, can lasting benefits from the negotiating process be assured".

We are particularly interested in the well defined inclusion of aspects that hitherto have been considered conceptual, so as to endow them with the necessary legal value so that they may serve as a basis and foster differential and more favourable concrete actions for the benefit of developing countries. Without this legal corroboration we would be lacking, as is now the case and even with Part IV of the General Agreement, a rigorous system of rights and obligations in respect of trade relations between developing and developed countries.

In other words, if obligations - "contributions" - are established for developing countries, there must also be rights. Those rights would consist in the obligation, on the part of the developed countries, to grant differential and special treatment. Clearly, such special treatment would not necessarily continue for an indefinite period. We do not aspire to be left forever in our situation of under-development. It will no doubt be necessary and possible to make adjustments during implementation of the rules so as to take account in future of the situation of some developing countries that, perhaps, in certain areas, already have no need of special treatment.

But for this very reason, we must start from general rules for special and differential treatment, rules applicable to all developing countries in a universal, automatic and mandatory way.

The only permissible differentiations at this stage would be, on the one hand, that for the less-developed among us still more special attention must be given and, furthermore, that not all the developing countries would have to make "contributions". What is not admissible, however, is any a priori classification of an academic character in regard to differences in development levels.

We agree with the EEC representative that the special and more favourable treatment must facilitate the trade of developing countries. Nevertheless, the condition that it must not hamper the trade of the others, or of third countries, as described by the United States representative, is not realistic. If this Group were to concern itself with looking after the interests of developed countries when considering the application of special and differential treatment

for developing countries, we would not be able to make any progress and would fall back on maintaining the present distribution of benefits deriving from trade, which has proved totally unfavourable for the developing countries.

What is needed is to ensure for developing countries, by means of differential and special treatment, conditions that can assure them of new trade prospects for augmenting the benefits accruing to them.

It has been said that there must be surveillance of differential treatment. We believe this idea is difficult to apply and that we shall encounter considerable difficulties, for there are at present no adequate and mutually acceptable criteria for determining the objectives and modalities of such surveillance.

We should like to remind this Group of the objectives that we are seeking to attain with special and differential treatment. It is not to change rules just for the sake of making changes. Nor are we trying to cling on to particular principles for dogmatic or philosophical reasons. We know that principles alone do not generate any foreign exchange for us. The ultimate objective can be seen in the following statement: If we are going to buy goods from developed countries - and even to buy in increasing quantities - we must sell more, but the present rules do not allow us to attain the objective of selling more. In our opinion, special and differential treatment can bring us to a more balanced situation in which we can compete better and accordingly sell more and buy more, with the resultant benefit for us and for the parties that sell to us.