

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

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EGYPT

Statement H.E. Mr. Mounir Zahran
Ambassador, Permanent Representative

If there is any person to whom we should pay tribute for the timely conclusion of the Round, it is you, Mr. Chairman. Without your stamina, your perseverance and especially your fairness and firmness, the Round could have again easily stumbled. Your efforts, and those of the "Friends of the Chair", have been instrumental, if not decisive, for the conclusion of the Uruguay Round after seven long tedious years of negotiations.

As co-ordinator of the African Group in matters concerning the Uruguay Round, allow me to make some brief remarks on behalf of the Group, while stressing that this is in no way to replace individual African countries' contributions, which in fact may add to, compliment and strengthen this statement.

It is perhaps worthwhile recalling my intervention on 3 December when African countries had their preliminary evaluation of the Round. Since then, little has changed which may call into question the pre-occupations of the Group. Africa, in general, was afraid to be a "net loser" out of the Round in terms of cost-benefit analysis, i.e., the overall implications of the Round are not very bright for the African continent in quantified terms.

On the export side, the erosion of tariff preferences for African exports is still of concern to us. African countries with their already weak potentials are going to lose around 50 per cent on average of their competitive advantage for their overall export items, excluding oil in their major markets (namely the European Community, the United States and Japan).

These figures become all the more alarming if we look at certain key sectors such as tropical agriculture and natural resource-based products which constitute large percentages of African exports. Here, the losses on average are around 80 per cent and over 60 per cent respectively.

Hence, it would not be difficult to deduct grosso-modo what would be the implications and effects of such losses on the export earnings and the entire development process of the African countries.

In addition to the losses of preferential margins, a number of products of interest to African countries will regrettably continue to be subjected to high internal subsidies in certain developed countries, thus constituting another major obstacle to the expansion of African countries' exports. With the permission of my African colleagues, I would like to refer here to the specific case of cotton which is of major concern to Egypt among others. We have repeatedly tried to draw the attention of our major partners to this matter - be it on the bilateral or multilateral levels - yet in vain. Speaking on behalf of Egypt on this issue, my delegation will continue to press for improved market access terms for this product, which ranges among the most important ones in Egypt's exports.

As regards the import side, although there are yet no figures that would give the magnitude of the losses, since world market price increase for basic foodstuffs are still to be calculated in the light of the revised Agriculture Agreement, the mere fact that Africa will be hard hit from such increases cannot be called into question or doubt.

In this connection, I would like to refer to the Ministerial Decision on measures concerning the negative effects of the agricultural reform programmes on the least-developed countries and net food-importing developing countries that goes a step towards meeting our concerns. It explicitly recognizes the possible negative effects of such a reform and acquiesces to the necessity of remedial measures by opening up venues for further negotiations with a view to, *inter alia*, establishing appropriate mechanisms, adopting guidelines, giving full consideration in the context of aid programmes and allowing those affected countries to draw on the resources in the context of their adjustment programmes. Thus, the said decision only paves the way for further negotiations and concretization.

The monitoring process, which should be expeditiously initiated, is not only to take stock of the situation and the damage caused by the said reforms, but more so to come forward with effective relief measures accompanied with precise modalities for effective implementation of such measures by developed countries, international finance institutions and other relevant fora. Such multilateral organs and organizations should be seized with this serious problem, with the objective of providing the necessary and effective contributions with regard to the provision of food aid, technical and financial assistance. It is worthwhile stressing, that the problems of net food-importing developing countries are not to be regarded only as a matter of a mere bilateral aid programme but as a multilateral issue with worldwide and far-reaching developmental implications.

With regard to services, African countries have been often criticized for the inadequacy of their offers and the lack of their commitments in this respect. I cannot but wonder at the exigence of our partners without the least consideration on their part to the potentials, needs and requirements of the African countries and least-developed countries, the majority of which are African. On the whole the services sectors of export interest to developing countries have not been subject to meaningful commitments on the part of developed countries; labour intensive services activities are of some comparative availability in the African countries. However, on professionals, specialists together with capital and technology are in shortage in the African countries in general. Thus, African countries cannot be treated on an equal footing with developed countries in this regard. Moreover, the movement of personnel for the purpose of supplying services, as one of the modes of supply under the GATS, has not been subject to meaningful commitments. It should be clear to all that the initial commitments package in services resulting from the Uruguay Round is less than satisfactory to African countries in general. However, with regard to the articles of the General Agreement on Services, the negotiations have resulted in a set of rules and principles that are relatively well balanced.

Looking closer at the TRIPS agreement, and speaking in rather general terms, the new disciplines agreed upon in this respect will have the effect of raising the prices for the acquisition and use of technology, not to mention the heavy burden of enforcement in terms of administrative costs. In recognition of the severe implications of such obligations, and apart from the transitional arrangements amounting to 5 + 5 years for developing countries, we note that an additional offsetting measure for the least-developed countries was granted in Article 66, paragraph 2 of the said agreement, requesting developed-country members to provide incentives to their enterprises to help promote and encourage transfer of technology to least-developed countries, most of which are in Africa. Though this request has been repeatedly mentioned in various fora, we strongly hope that such measures will be truly forthcoming with a view to alleviating the extraordinary burden that shall be placed as a result of the obligations resorting from the TRIPS agreement. We also believe and hope that such measures could

be flexible enough to allow for similar actions to be taken with regard to the African countries as a whole, in order to allow them to build an adequate technological base which would enable them to become integral and active participants in the new multilateral trading system.

In this context, I would like to add that no sectors are going to be more telling for Africa's health and nutrition than those of pharmaceutical and of protection of plant varieties and the obligations arising therefrom.

We should not allow issues related to international trade and environment subsidies and anti-dumping to be used against developing countries in general and African countries in particular, as restrictive and protective practices that are both trade distortive and a waste of resources for all those involved in the multilateral trading system.

Before concluding, allow me to stress the following. First, African countries have pulled their strength together to contribute positively to the final global package in comparison with their level of development and the meagre opportunities for their trade expansion as a result of the Round. Second, the autonomous trade liberalization reforms carried out in the context of their economic reform programmes is best testimony for their belief in an open and equitable multilateral trading system and their conviction of the objectives of the Round. Third, the very acceptance of the Uruguay Round package in its entirety is a major undertaking and an important sacrifice on their part, without which a success of the Round could hardly be claimed. Fourth, it is our earnest hope and desire to see some further thinking as to how to redress the imbalance weighted heavily against the African countries, the reflection of which should find its way in the political Ministerial declaration to be adopted in April 1994. Such action should aim at enabling these countries to derive better benefits from the multilateral trading system commensurate with the obligations they have accepted in the Round.

Finally, we have all negotiated in good faith and strived together to find solutions for the many problems we have faced throughout our negotiations.

Soon we shall have to turn to the implementation of the various agreements, decisions and declarations integrated in the final text as a single undertaking. We cannot but earnestly hope that this will be done in all good faith, while giving due consideration to the needs and developmental requirements of developing countries in general and African countries in particular.

We look forward to participating in an efficient preparation of the finalization and signing of the Final Act of the Uruguay Round in Marrakesh in April 1994.