

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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ZIMBABWE

Statement by Dr. H. Murerwa
Minister of Industry and Commerce

On behalf of the Government and people of Zimbabwe, I have great pleasure in extending my warmest greetings and highest regards to all participants in this historic meeting. May I take this opportunity to express my sincere thanks to the Government and the people of Morocco for agreeing to host the meeting and the excellent facilities provided in this city of Marrakesh. I would also like to take this opportunity to thank His Royal Highness Crown Prince Sidi Mohammed for gracing this occasion and for the warm welcome extended to the Zimbabwe delegation.

Morocco's decision to host the meeting clearly exemplifies the major commitment to liberalization and expansion of world trade to the benefit of all countries. I should also say how greatly obliged we are to the new GATT Director-General, Mr. Sutherland and the many people whose sterling efforts resulted in the 15 December successful conclusion of the Uruguay Round.

The Uruguay Round represents itself as the first real opportunity to establish a strengthened and expanded multilateral trading system able to serve the needs of the international trading community for the remainder of the century and beyond. In view of the dramatic political and economic changes taking place in the world today, it is imperative to have a multilateral trading system aimed at the provision of security and predictability of fair competition on the basis of clear-cut multilaterally agreed rules as well as serving as a credible reference point for the domestic, political and economic reforms being pursued by most governments.

It is my contention that the conclusion of the Round was the result of the collective will of participants to shape the future of international economic relations and pave the way for more stable and equitable economic growth. The ground work for future economic and trade relations between nations has been laid and it is now for us the contracting parties to build upon the blueprint agreed upon in December 1993.

The Round's Final Act contains the results of intensive negotiations on, *inter alia*, improved market access for industrial and agricultural products, broad reinforcement of GATT rules and disciplines, bringing long-neglected sectors such as textiles and clothing and agriculture under GATT disciplines, and extending the multilateral rules to new areas such as services, intellectual property rights and trade related investment measures. Unlike the previous rounds of multilateral trade negotiations developing countries' participation in the Uruguay Round was significant.

The realization of balanced and substantial package of results in all areas of the negotiations in the Uruguay Round has been a major preoccupation particularly for us in the developing world. To this end, a number of evaluation exercises to determine the extent to which the principle of differential and more-favourable treatment for developing countries has been achieved, have been carried out. We note for example that one such exercise on market access carried out by the GATT Secretariat

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suggests that the offers by developed countries have resulted in MFN weighted average tariff reductions of 34 per cent for all industrial products, 35 per cent for natural resource-based products, 57 per cent for tropical products and 36 per cent for all agricultural products. Clearly, this is a welcome development, one which we hope will go a long way to lead us to an eventual elimination of tariffs on products of interest to developing countries.

However, the reduction in MFN weighted average tariffs by the EEC has concurrently led to the erosion of the margin of preferences for ACP products under the Lomé Convention. A similar exercise carried out by the United Nations Conference on Trade and Development (UNCTAD) suggests that the overall loss in preferential margins for the ACP is approximately 30 per cent. On sectoral basis, the highest percentage loss in preferential margin occurs in tropical products (50 per cent), natural resource-based products (16 per cent), and industrial products (49 per cent). The severity of the loss of the preference margin and the resultant loss of the share of the market will depend on the competitiveness of the individual countries concerned as well as the products in question.

Our own preliminary analysis, given the complexity of the evaluation exercise, suggests gains for certain products, stand-still position for others and potential losses for some products should the MFN reductions by the EEC continue to go deeper. This is an on-going exercise and the precise impact of the results of the Uruguay Round on individual products and countries may not be established for some time. We believe, however, that the process of liberalization will in the long-run strengthen the global trading system and benefit the peoples of both the developed and developing countries.

I believe that in the market access area, the challenge is upon us, developing countries to expand and diversify our export capabilities as well as strengthening the international competitiveness of our products. We, however, believe that where protection is justified by our trade, financial and development needs, it should be duly granted.

Zimbabwe's preliminary evaluation of the results of the Round in the rule-making institutional area points to a number of positive elements. These include, *inter alia*, new specifications aimed at making determination of dumping less arbitrary for exporters under Article VI, shifting the burden of proof of the price paid from the Customs Administration to the importer, under the Customs Valuation Code, reinforcement of the disciplines of Article XIX which now require strong obligations on causality to ensure that injury to domestic industry should definitely be attributed to increased imports, and the precise definitions now given to what constitutes a subsidy under the Agreement on Subsidies and Countervailing Measures.

While Zimbabwe also welcomes the establishment of the World Trade Organization that will oversee the implementation of the results of the negotiations in both the goods and service areas, I would nevertheless wish to take this opportunity to urge our developed country partners not to resort to cross-sectoral retaliation under which restrictive action taken by developing countries in the goods area becomes punishable by withdrawal of equivalent concession in the new areas. This would represent a retrogressive step on the part of our partners and clearly stifle developing countries' efforts to achieve their developmental goals.

Time does not permit me to dwell at length on each of the areas negotiated, however, let me emphasize that we welcome the development considerations in favour of developing countries that are taken up throughout the General Agreement on Trade in Services. However, I regret to note that the same cannot be said of the Agreement on Intellectual Property Rights where the new patent regime arising will impact negatively on us, particularly on the availability of new products through domestic efforts. It will also take away the opportunity of developing countries' innovative processes as well as lead to a rise in prices of new products as they would be available at monopolistic prices.

My delegation would also like to register its concerns regarding attempts by some contracting parties to bring labour standards, which would be used as non-tariff barriers against products from developing countries, under the ambit of the GATT. While we subscribe to the principles of fair labour practices, we believe that this issue can be adequately handled by existing institutions such as the International Labour Office.

We view Marrakesh as the staging platform which will put in place a strong rule-based multilateral trading system that should safeguard the interests of all nations, weak and strong. The road to Marrakesh has been long and difficult, with major sacrifices being made by all contracting parties, particularly by developing countries. We owe it to our people to ensure that they directly realize the benefits of these negotiations through, *inter alia*, improved market access, strengthened multilateral cooperation and ultimately the overall improvement in the quality of life of our people.