

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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CUBA

Statement by H.E. Mr. Ricardo Cabrisas Ruiz,
Minister for Foreign Trade

Allow me to begin by congratulating you on your election and wishing you success in the performance of your duties, for which you may count on the modest contribution of the Cuban delegation. Allow me also to convey through you our gratitude to His Majesty King Hassan II, the Government of Morocco and the Marrakesh authorities for hosting this meeting and giving us the opportunity to visit this lovely and historic city for the first time and enjoy the hospitality of its people.

I would also like to recognize publicly the intensive work done during the final stages of the Round by the Director-General of GATT, Mr. Peter Sutherland, whose skill helped bring the technical negotiations to a successful conclusion.

In addition, I wish to thank Mr. Arthur Dunkel for his work in conducting the negotiating process since Punta del Este and for the intensive personal efforts he devoted to this Round for almost seven years.

When we met in Punta del Este in 1986 to open the Round of negotiations whose Final Act we shall soon sign, we had our doubts that its results would solve the basic problems affecting our peoples' economies and development, in spite of the fact that the Ministerial Declaration, carefully negotiated at that time, featured principles and goals which included our fundamental interests. These doubts grew due to the fact that, although the cornerstone of this General Agreement is that all contracting parties are equal, in reality we are not. And this is the source of evident injustices.

These seven years of negotiations, characterized by confrontation, delays and the dependence of the many on the decisions of a few - especially during the final stages of negotiating this Act, when the developing countries were hostages to the decisions and agreements reached by only three trade partners: the United States, Japan and the European Union - confirmed our fears and logically limited the results of the Round, with which we cannot be satisfied.

The promotion of a liberalized international market is obviously important, but what use is it when the vast majority of participants are unable to achieve the development needed to compete in the market on an equal footing with the industrialized countries?

The reduction of tariff barriers is important. So is the elimination of non-tariff and protectionist measures provided that the benefits of such measures extend beyond the borders of the developed North. It is not possible, however, to conceal the fact that the countries of the South continue to experience a widening gap - almost an abyss - that separates us from the rich North; prices for the basic commodities which are the mainstay of our trade are cut and some commodities are replaced by laboratory products which not only have an impact on prices but also on the levels of our exports to certain markets; the debt burden and its servicing continue to have an impact on our economies, without

solutions being sought or measures adopted to eliminate their effects or at least attenuate them, while flows of financial assistance and transfers of technology are becoming increasingly scarce.

Under those circumstances, how can our countries be really competitive and reap benefits from the measures which are supposed to promote a liberalized international market?

Although today's world offers free trade as our only alternative, we do not feel that this is the best way to meet the development requirements of the majority of the world's peoples effectively.

Unless market openings are accompanied by action on the part of the international community to provide technological and financial support for the efforts made by the governments of the South to achieve adequate levels of development, such openings will remain mere mirages. Not only that, it should be borne in mind that there may come a time when the stagnation of some may lead to the slower growth of others and this may be the punishment for selfishness and greed.

We are sorry to say that the results of the Uruguay Round fell very short of expectations and hopes.

The expected levels of elimination of agricultural subsidies were not achieved, and most of the agreements reached on key issues will not materialize for six years. Such a period is short in terms of historical dimensions, but for the economic and social lives of the countries of the South it is an eternity, considering the huge challenges these countries face in attaining full development and well-being for their peoples.

Furthermore, it has been estimated that the negotiated tariff reduction will mean an annual increase of 230 billion dollars by the year 2005. But the question is: what will be each developing country's potential share of this increase in trade?

International trade is an integral part of the entire world economy, and it will not be possible to enjoy flourishing international trade without eliminating the overwhelming problems affecting the economies of the South. The General Agreement has been part of this entire system and as such it must be strengthened, but nothing will be resolved unless the international economic and financial system and the developed countries take the action needed to contribute to an effective solution.

The imposition of neo-liberal measures does not and will not further peoples' development and well-being. Quite the contrary: the figures showing the increase in unemployment, extreme poverty, the cruel and paradoxical emergence of a Fourth World, the reduced use of new technologies, and the growing informal sector refute the alleged positive effects of such measures.

Let us stop deceiving ourselves with the pretence that free trade alone will make our aspirations for development and well-being a reality, especially when the first law of this trade is the "Law of the Jungle".

The creation of the World Trade Organization, even though it is far from being the universal, non-discriminatory body which the Havana Conference on Trade and Employment sought to create in 1947, is a step in the right direction.

This new organization could help to remodel the present trade system, but unless the bases for the current rules of the game are modified, we will remain subject to the same inequalities. The most important feature of this new organization is, perhaps, its dispute settlement mechanism, to which hopefully we may resort on an equal footing.

Let us trust that this Organization can establish a multilateral trading system which prevents the implementation of the selective and unilateral measures that have so badly damaged international trade and the credibility of the General Agreement.

We have come to the conclusion of the negotiations establishing the WTO on the understanding that we will not include any new issues, let alone those which are of disputable validity for this Organization.

If in the future, however, we are obliged to discuss which issues may, or may not, be included in the WTO programme of work, my Government certainly believes that the rules of international free trade are seriously breached by the implementation of unilateral or extraterritorial measures, foreign to the regulations of both GATT and the future WTO, which hinder the normal development of trade relations among other contracting parties.

It is our hope that the inception of this new Organization will not suffer any traumatic effects as a result of fruitless negotiations which will not promote the goal on which we must focus, namely, the emergence and implementation of institutional mechanisms and the already ambitious issues to be tackled.

I do not wish to spend more time on the advantages and disadvantages of the Final Act since I have already described its essence, but I wish to point out that during this seven year-long process of negotiations, the countries of the South have been faced with a "take it or leave it" dilemma.

My Government has worked for the successful conclusion of these negotiations, and will work to capitalize on the opportunities derived from the agreements reached, although unfortunately it will not benefit from one of the most important markets: the United States.

In pursuing a policy of hostility, successive United States administrations have imposed and maintained for over thirty years a harsh economic, commercial and financial blockade against Cuba, which was tightened just two years ago with the notorious "Torricelli Act".

This blockade terminated trade between Cuban and United States economic sectors, in outright contradiction of both countries' tariff reduction schedules attached to the General Agreement on Tariffs and Trade.

Trading with Cuba according to the principles of the multilateral trading system does not seem to be on the agenda of the United States Government and we do not know how long this archaic policy of cold war will be maintained, in flagrant violation of the agreements being reached today and to the detriment of many contracting parties.

Cuba has not turned its back on the world, but like no one else suffers from its unipolar nature. In this context, we have made important adjustments to our economic, commercial and financial policy in order to revive our industrial, agricultural and service sectors.

The abrupt change in our over 30-year old economic and trade relations with the countries of the former socialist camp and its resulting adverse effect on our economy has given way to a rearrangement of our external sector. Its main features are the opening of our economy to the participation of foreign capital and the granting of the right to undertake foreign trade operations to both national and joint capital production and service organizations. We have also taken major steps to update and improve our tariff system, and we have been gradually and steadily working for integration with Latin America and the Caribbean. At the same time, the preservation of our independence and

sovereignty together with the social programme developed over the last 35 years is a watchword we shall never renounce.

Cuba will continue to work constructively towards the implementation of the agreements that we are now signing and will continue to hope that the world in which we live will be equitable and will permit the realization of the objectives of the World Trade Organization: improved living standards for our peoples, increased trade in goods and services, and elimination of discriminatory treatment in international trade relations.

The increasing participation of developing countries in these negotiations demands that, in implementing the results agreed upon, the new Organization promotes real international cooperation which will lead to concrete benefits for our peoples. This is the great challenge we face.