

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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NEPAL

Statement by the Hon. Surendra Prasad Chaudhary
Minister of State for Commerce and Supplies
(Speaking as an Observer)

Revision

On behalf of the Nepalese delegation and my own, allow me, to congratulate you on your unanimous and most-deserved election to the chair. We repose our full trust and confidence on your able leadership and wise counsel to see through a successful conclusion of matters under deliberation in this Ministerial Meeting. Our sincere gratitude goes to His Majesty's Government and the people of Morocco for hosting this important meeting in Marrakesh where the splendour and charm of the city is equally matched by the warmth and hospitality of the people. The Nepalese delegation would also like to take this opportunity to record our most sincere appreciation to His Royal Highness the Crown Prince of Morocco for his gracious presence at the inauguration and for the inspiring address which, we believe, has set the tone for our discussions.

It is our considered opinion that no other single issue has quite so preoccupied the world's leaders and dominated world events as that of trade in the recent past. Differing contentions, issues and interests have tended to assume the form of prolonged feuds and threatened to upset global trading arrangements. If development is the greatest challenge confronting mankind today, then trade, with its salubrious effects on all the facets of development has become the most potent weapon to fight this challenge. The end of the cold war promised the dawn of a new era, an era of cooperation for global development and prosperity. Instead, economic and trade conflicts loomed large and threatened to upset the process of stabilization. The conclusion of the Uruguay Round, in this background, is truly a remarkable achievement dispelling the gathering clouds on the future of the world.

My delegation is from a country which is not only very poor but is also least-developed and land-locked. The previous one party regime, with its abysmally poor performance in the development front, has been replaced by the restoration of pluralistic democratic system of governance. The success of the people-led movement for democratic institutions has resulted in an unprecedented increase in the aspirations of the general mass for development and change. At the same time, protracted problems in their intensity and magnitude in the face of an acute shortage of physical and institutional infrastructure combine with the rising aspiration of the people. Bleak as the general picture is, the elected government of the Nepali Congress remains undaunted in its quest and commitment to uplift the country and its people from the present state of malaise.

*English only/Anglais seulement/Inglés solamente

With your kind permission, let me cite, in brief, some of the policy measures we have already undertaken to reshape the economy and make it more efficient. Inward-looking policies in the trade and investment fronts, have been replaced by new, open and liberal ones designed to create and latch-on to the opportunities offered by a free play of market forces. A new trade policy has been devised and implemented with the objective of promoting the full participation of the private sector in an ambience of open and liberal competition. New policies and operational modalities have been introduced to attract external investment and to build up technological capabilities. Foreign direct investment is permitted up to 100 per cent in large and medium industries, and even cottage and small-scale industries are entitled to import technological packages. At the same time, a number of programmes designed to address the structural impediments in the economy and to make the economy, on the whole, more competitive and efficient have been implemented. These policy measures and their effective implementation have paid handsome dividends, though not in terms commensurate with our needs and aspirations.

We realize that there are no substitutes to policy reforms and in-house initiatives if a country is to aim at increased participation in global trade and other economic interactions. However, the position of the least-developed and geographically handicapped countries is such that these measures, in themselves, do not amount to much in the absence of greater sensitivity and responsiveness of the international community to the problem inherent in the nature of these economies. A self-reinforcing process of marginalization has characterized their performance in global trade and their economies rendered increasingly untenable. I leave it to the imagination of the distinguished delegates, the consequences for this group of countries and their inhabitants if the past is let to repeat itself, especially in a context where global interdependence is no longer a vacuous phraseology but the guiding reality of collective survival.

Our prosperity, and even bare survival, is contingent upon the vitality and growth of global trade. The road from Punta del Este has been long, uphill and at times, exceptionally bumpy. My country has been associated with the Uruguay Round negotiations at its last leg of deliberations. We have been following the Round with deep interest and are seriously considering membership of the proposed global institution of trade. Marrakesh sees the termination point of the journey from Punta del Este. The views and problems of the least-developed group of countries have been presented by the coordinator of the LLDC group. I associate myself with his statement and reiterate the sentiments in making the plea that any imbalance in the result of the Round *vis-à-vis* the needs and aspirations of this group of countries needs to be redressed by the international community through appropriate actions including trade preferences, development assistance and debt relief. Nepal also is interested to see the early establishment of a separate unit in the World Trade Organization secretariat for the follow-up of decisions regarding special treatment to the LLDCs and also for providing necessary assistance to countries like Nepal where the necessary expertise and the institutional mechanisms to deal with the complexities of the new rules and procedures are not available easily.

Lastly, on behalf of His Majesty's Government of Nepal, I would like to express my grateful thanks to the members of the Trade Negotiations Committee for their decision to invite Nepal to be associated with the multilateral negotiations of the Round and for the kind assistance and cooperation extended to my delegation by the GATT Secretariat under the able stewardship of its Director-General.