

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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YUGOSLAVIA: STATEMENT AT THE MEETING OF THE GATT CONTRACTING  
PARTIES AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,  
PUNTA DEL ESTE, URUGUAY

Allow me to express our gratitude to the Government of Uruguay for the hospitality and for providing excellent organization of this meeting. May I also say how highly we appreciate the way you guide this meeting, so that it might fulfil to its utmost the goals for which it was convened.

My country shares the concern of other contracting parties over the erosion of the multilateral trading system, non-respect of rules and the spirit of the GATT and escalation of protectionism. The sectors of export interest of developing countries are especially affected. We are in danger that the right of force entirely takes over the rules of law. Even in cases of flagrant violations of the GATT to the detriment of weak partners, the latter practically have no possibilities to protect their own interests. Therefore, if we want with confidence to seek new solutions for new challenges in international trade, we first of all must urgently concentrate our efforts on removing accumulated obstacles.

Multilateralism embodied in the GATT has for my country lasting value and we are ready to seek, along with other countries, ways and means as to preserve, improve and strengthen the GATT system. It is only in this way that the international trade might get back the rôle of the most important driving forces of structural adjustment, economic growth and development.

However, only the improvement of the international trading system would not be sufficient for achieving the said global goals, unless parallel actions are taken in the field of commodities, monetary-financial system and unless problems of indebtedness of developing countries are solved. Without these negotiations, the launching of which we are discussing now, will neither provide full effects, nor will they justify efforts required by such an undertaking.

After several months of preparations and attempts to identify objectives, subject matters and modalities of trade negotiations, many issues are still open. Three documents of the Draft Ministerial Declaration are on the table and each should be equally treated, regardless of the number of supporting countries. Decisions which we are supposed to take in the next few days are so important that they require entire transparency of the work going on and respect of all positions in the

process of seeking generally acceptable solutions. Once made, these decisions should not divide countries to those that gain and those that lose. Being different as we are, but at the same time being interdependent, it is indispensable that we understand each others needs and, relying on what is common to all of us, we try to find the best solutions. Only in this way we could expect enough large participation in negotiations and preservation of integrity of the GATT, that we are concerned about.

I believe that the time has come when the international trading system in the field of goods is in such a danger for its survival that we should not wait to reach agreements on issues which are beyond competences of the GATT and which have not been well enough elaborated. This was proved by the report on the exchange of information on services.

However, respecting the importance of the sector of services for economies of many countries and having in mind future development, Yugoslavia is ready to take into consideration how to set in motion the process for multilateral action relating to trade in services.

We think that as for so heterogenous and so important sector for the functioning and development of economies, specific and gradual solutions should be sought through a separate process of negotiations.

With your permission, I shall refer back to some specific issues relating to negotiations on trade in goods to which my country attaches priority.

- All participants in negotiations should firmly undertake and effectively implement, within the period to be agreed upon, commitments on standstill and rollback of measures inconsistent with the GATT, or beyond its provisions on all sectors of trade.
- We advocate further liberalization of trade in which contribution of developed and developing countries could not be the same, having in view economic, trade and financial situations of developing countries and their development needs. In this context, I wish to emphasize the importance my country attaches to the effective implementation of Chapter IV and the Decision on Differential and More Favourable Treatment of Developing Countries in all fields of the forthcoming negotiations, as to secure additional benefits for their trade and more equitable participation of developing countries in sharing benefits that we expect from negotiations.
- We attach high priority to comprehensive agreement on safeguards, based on the principles of the GATT, including the most favoured nation Clause. New negotiations should not lead towards legalization of safeguard measures that are outside of the GATT rules.

- It is indispensable to secure better balance between rights and obligations of the contracting parties interested in different fields of trade in goods. This understands that agriculture be subject to the improved GATT discipline, both from points of view of access to markets and competition terms. Without it, for many countries new negotiations would not have substantial importance.
- We also feel the need to improve settlements of trade depends on the way that interests of weaker partners be protected; to improve overall effectiveness of the functioning of the GATT, multilateral surveillance and co-operation among GATT and other international organizations covering fields that are interdependent with trade.

Issues which are subject of our deliberations are of great importance both for all of us and for further development of the world economy and international economic relations. Therefore, it is normal that differences in approaches appear, for everyone naturally advocates one's own interests. The wisdom of statesmen requires from us to show mutual understanding and tolerance and experience teaches that right and lasting solutions are only those reached by agreements and not by enforcement.