

GENERAL AGREEMENT ON TARIFFS AND TRADE

MIN(86)/ST/61
18 September 1986
Special Distribution

Original: English

ZIMBABWE: STATEMENT BY HON. R.C. HOVE, MINISTER OF MINES,
AT THE MEETING OF THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL,
15-19 SEPTEMBER 1986, PUNTA DEL ESTE, URUGUAY

Let me at the outset thank you, and through you the Government of Uruguay for the hospitality extended to my delegation. You will also allow me to extend to you my congratulations on your election as Chairman.

This session of the CONTRACTING PARTIES is particularly significant in view of the continued accumulation of trade policy problems in need of resolution. As we look at the degree of progress achieved in the Preparatory Committee and try to reach agreement regarding the objectives, subject matter, modalities for and participation in a round of multilateral trade negotiations, it becomes clear that the task before us is not an easy one. It was at the beginning of the year that the preparatory process for launching a new round of trade talks commenced in Geneva, but differences amongst ourselves still persist on the major elements of these talks.

The three draft texts before us are an indication of these differences. We are nonetheless convinced that our shared belief in a stable, predictable and open multilateral trading system will result in solutions to problems that confront us. Zimbabwe has not been involved in the preparatory process from the beginning. But like others, Zimbabwe gives priority to a number of areas of particular interest to us. These include progress towards achieving standstill and rollback of protectionist measures, trade liberalization for agriculture including tropical and processed products, safeguards, subsidies and countervailing duties and special and differential treatment for developing countries. We are also prepared to make our contribution to any concerted efforts designed to achieve progress on all items that have been discussed in the Preparatory Committee. Let me however briefly outline our point of view on four issues on which we believe agreement should be reached if a new round of multilateral trade negotiations is to be successfully launched. We consider these four issues to be standstill and rollback, safeguards, trade in agriculture and trade in services.

The task that we face in regard to standstill and rollback is that of curtailing and hopefully reversing the trend towards stagnation and retrogression in world trade. Although the volume of world merchandise exports is estimated to have grown by 3 per cent in 1985 this rate of growth is still below that achieved in the period 1963-73 (9 per cent) and even that achieved in the period 1973-79 (4 per cent). This situation is

to a large extent a reflection of the frequent violations of GATT principles, the distorted interpretation and application of some of its rules, the ample scope and enduring nature of derogations and the lack of political will to faithfully abide by GATT commitments especially those affecting the trade of developing countries. This is why Zimbabwe believes that one essential element in the search of success of this meeting should be a firm and credible commitment to the principle of standstill and rollback. We believe that such a commitment to halt protectionism and dismantle illegal trade measures will result in a forward movement on some of the major items of the negotiating agenda. To be sustainable this commitment must be backed by a strong and effective surveillance and monitoring mechanism.

We are all agreed that the GATT system has been undermined by the proliferation of grey area measures taken especially by the developed contracting parties to the GATT. This situation has developed in spite of the many statements that have been made in support of structural adjustment policies. In our view, selective safeguard action is not the solution to the problem because not only does it violate the GATT principle of non-discrimination, but it also reduces the pressure for structural adjustment on countries taking such action. For smaller countries, selective safeguard action removes the protection awarded by the multilateral trade system. Zimbabwe would therefore wish to see an agreement reached as early as possible on a comprehensive and non-discriminatory safeguards mechanism.

For some of us, agriculture is still the mainstay of our economies. Ensuring that agriculture is treated as a priority subject in a new round of talks is therefore important to us. We cannot continue to ignore the problems of agricultural trade as these have major implications for the future of the multilateral trading system and indeed the negotiating process itself. We believe that the way forward now is to take steps to rectify some of the problems that affect trade in agricultural products. In reviewing the work done by the Committee on Trade in Agriculture over the past four years, it must be said that considerable useful work has been done and our task is to strengthen and not reduce our commitment to finding real solutions to the persistent problems of agriculture. The objective remains that bringing measures affecting both market access and subsidies to production into a strengthened and more effective set of GATT rules.

On the so-called new issues of services, intellectual property and investment, we are still to be convinced about the appropriateness and timing of negotiations on these issues either in the GATT or in a new round.

As recently as two weeks ago, the Heads of State or Government of the Non-Aligned Movement recognized that GATT did not have jurisdiction over the issues of services, intellectual property and investment. They also emphasized that no linkage should be established between trade in goods and trade in services. But we have also stated that Zimbabwe is sensitive to the fact that other contracting parties wish to discuss this matter in the context of the New Round of trade negotiations. To this end we are prepared to continue the present dialogue on services in a framework that is parallel but legally separate from the GATT. Let me state as categorically as I possibly can that our fundamental assertion is that a legal régime that would incorporate trade in services should be founded on the basis of consensus and evolved in a context that respects national sovereignty and control over our development process.

In conclusion, I wish to underline Zimbabwe's commitment to a multilateral trading system based on fair rules and non-discrimination. We believe that the alternative (which is bilateralism in trade relations) will hurt all of us, but more especially the developing countries. As we all know, bilateralism in trade relations fragments the world economy and reduces trade opportunities for all trading nations and generally reduces the benefits of international engagement.