

GENERAL AGREEMENT ON

TARIFFS AND TRADE

SR.43/ST/35

5 January 1988

Limited Distribution

CONTRACTING PARTIES
Forty-Third Session

Original: French

ROMANIA

Statement by H.E. Mr. Gheorghe Dolgu Ambassador, Permanent Representative

In acceding to the GATT in 1971 Romania was pursuing the policy of openness launched in the preceding decade and at the same time showing its confidence in the eminent rôle that GATT was called upon to play in liberalization and expansion of international trade. Since then the General Agreement has continued to play that rôle, but in an international environment marked by growing instability and by crises of various kinds of which the stock market crisis is the most recent.

As may be seen, however, from trends in the world economy in the past forty years, without the General Agreement the world would have experienced more upsets and the present situation would be still more unstable. That is why Romania wishes to join with the contracting parties whose representatives have already commended on the wisdom and clear-sightedness of the founding fathers of GATT.

Last year, as the culmination of an admirable co-operation effort the new Round - the Uruguay Round - of multilateral trade negotiations was launched. Like other contracting parties my country made its contribution to that success which, depending on the nature of the dimensions of the results achieved in the current negotiations, could be of historic importance. Like other earlier speakers, we welcome the fact that the initial phase of the negotiations, though laborious and constructive, has proceeded smoothly and that a large number of countries have participated actively in this exercise.

The results of this anniversary session, the inevitably different opinions expressed on this occasion, give us a wealth of valuable material for reflection to better perceive the problems before us, and gain a clearer vision of the substantive negotiations that will soon commence. It is encouraging that every one of the participants in this far-reaching undertaking, and all the speakers at this anniversary session, have in one way or another underlined that we are condemned to succeed. Also encouraging is the growing awareness of existing challenges, be they old ones or new. And those challenges are great. As the international economic situation continues to deteriorate, there are more and more temptations to resort to imprudent measures, and even to allow proliferation of practices contrary to the spirit of GATT.

Romania views with concern the extension of the quota system and the application of restrictions of various kinds, many of them discriminatory and which have recently taken their most extreme form in export restraint agreements and orderly marketing arrangements. It is with like concern

that we have seen growing recourse to measures imposed for non-economic reasons and to subjective and arbitrary interpretation of developments in other countries to justify the denial of most-favoured-nation treatment or GSP preferences.

In our opinion, GATT should be a forum in which with greater consistency and effectiveness one can discuss and eliminate such unfair practices and prevent recourse to economic sanctions whose legitimacy is doubtful to say the least. In that way it should take on its responsibility of ensuring universal respect for the GATT rules and disciplines, and effective protection for the legitimate interests of the weakest countries, while safeguarding the sovereign equality of all contracting parties.

Renunciation by the GATT member countries of recourse to discriminatory measures, observance of their standstill and rollback commitments, application of most-favoured-nation treatment in a manner that is stable and with any political conditions - all these are elements conducive to the orderly conduct of trade and to the liberalization process initiated in the context of the current multilateral trade negotiations.

Romania continues to attach particular importance to differential and most-favoured-nation treatment for developing countries and to extension of this system to the new areas included in the Uruguay Round negotiations. In our view, interest in these new areas should not be allowed to the detriment of traditional areas of particular interest for developing countries.

Like earlier speakers, we believe that GATT, even in optimum conditions and with the largest measures of political will on the part of all member countries, cannot overcome all the imbalances of the world economy. We have in mind not only the need to restore order to monetary and financial relations and take timely action to avoid any recurrence of the tragic events of 1929. We also have in mind the long-neglected problem of the indebtedness of developing countries. For though a collapse of the international financial system has been avoided, practically nothing has been done to tackle the real roots of the problem of indebtedness. It is high time to recognize openly that so long as that problem is not solved, the chances for developing countries to participate fully in international trade remain very slim. The representative of a developed economy contracting party has underlined the dramatic contraction in imports by developing countries as a result of tremendous pressures of debt servicing on their foreign exchange reserves.

In 1932, at the GATT Ministerial meeting held in Geneva, I had occasion to express my Government's opinion on the guidelines for concerted international action to resolve the debt problem. I should like once more to underline the urgency of such action, which would be highly beneficial for expanding the trade of all countries and for restoring a sound international economic environment. For as already underlined here on

various occasions, interdependence makes itself felt not only at the country level but also at the level of the major problems of international economic co-operation. Recent trends have only confirmed the close link that exists between monetary and financial problems, including those of indebtedness and of development, on the one hand, and international trade on the other hand, and hence the need for truly collective management of that co-operation.

Like the problem of disarmament, present-day economic and social problems also require a new approach, inter alia to intensify multilateral co-operation aimed at eliminating underdevelopment, building a new international economic order and achieving stability of the world economy.

In conclusion it is my hope that the will to succeed expressed on this occasion by the representatives of so many countries - great and small - may find its material expression in the results of this round of multilateral negotiations which aims to meet the interests of all member States and the new challenges of world economic development. To that end, Romania is ready to join its efforts with those of the other contracting parties.