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NIGERIA

Statement by H.E. Mr. E.A. Azikiwe Ambassador, Representative

My delegation welcomes the holding of this Session of the CONTRACTING PARTIES at a time when the current trends in the world economy have cut a sorry picture, as all the ailments that have plagued it from the early 80s recession still persist. My delegation is participating in this meeting because we believe the issues under consideration are vitally important. World trade is not the concern of an exclusive club. It affects the whole world. It concerns all our futures. We should all be open to new ideas and new approaches. The GATT and this Session have a vital rôle to play. May I say that I am delighted that you are presiding over this important gathering. I am confident that under your Chairmanship the Session will be positive, practical and forward-looking.

It will be recalled that the GATT Annual Report extensively highlighted the failure of the widespread expectation of improvement in the general global economic performance to materialize. This has been most noticeable in the lacklustre growth in investment, foreign debt and the disturbing servicing problems, perceptions based on the unprecedented volatile exchange rates, and the continuation of large payments imbalances, all of which have compounded the overall climate of economic limbo.

With the great increase in uncertainty concerning the relative movements of the exchange rates of major currencies, it has been very difficult for most developing countries to choose a satisfactory pegging arrangement. This, no doubt, has contributed to greater unpredictability of import prices and export receipts in both the short-run and intermediate-term, which in turn has made it more difficult to manage our finances and choose between import supplies. Indeed, the exchange risk is harder to neutralize due to the thinness of the forward markets. Thus, the instability of primary commodity exports which is partly a manifestation of the volatile nature of the exchange rates, has continued to pose serious debt-service problems for the developing countries whose export receipts are heavily dependant on a limited number of such commodities.

It follows that since the collapse of commodity prices has accentuated the debt burden, there is urgent need for producers and consumers of raw materials to work together to strengthen commodity agreement not only because of the need to restore commodity prices to remunerative and equitable levels, but also to revitalize co-operation between the developed and developing nations. Needless to say, such multilateral co-operation is a catalyst for reviving the world economy as a whole.

Profoundly perturbed by this development, my delegation is of the view that the absolute necessity of preserving the integrity of the General Agreement should be the top-most priority that should engage the minds of all contracting parties at this Session. In examining the global economic and trade background as has become the tradition at the Annual Session, it is our intention to explore with you collectively, ways and means of resuscitating global trade in the context of the Uruguay Round, such an exercise will lead to greater liberalization of trade in goods, and the removal of barriers and other restrictions to market access for products of interest to the developing countries. We will not try to paint idealistic images, to conceal difficulties or evade sensitive issues.

My delegation, however, notes with satisfaction the progress achieved by the various negotiating groups in tackling the items entrusted to them under the active guidance of the secretariat. We hope that their efforts will be rewarded by a quick and smooth process of general agreement by all concerned during this and subsequent sessions of the CONTRACTING PARTIES in the course of the Round. On this occasion, therefore, the comments of my delegation will be restricted to items of negotiations which we consider critical to the overall success of the Uruguay Round.

The issue of a strict and more transparent observance of the commitment to "stand-still and roll-back" provisions of the Ministerial Declaration is, for us, of crucial importance to the progress and outcome of these negotiations. Continued breaches of the commitment is clear evidence of a false start. For how can we, within the first year of negotiations, continue to watch the imposition of new protectionist measures by some advanced economies not only against themselves but, more alarmingly for us in the developing economies, against products of crucial importance to Third World economies. The Nigerian delegation appeals for greater restraints, particularly from the developed countries, on further recourse to trade-distortions, protectionist and other subtle measures capable of retarding the process of economic adjustment. As a deliberate policy, Nigeria has imposed upon itself a Structural Adjustment Programme (SAP) since July 1986 which, while it aims at correcting the immediate structural disequilibrium in the domestic economy, is contributing directly to removing some of the major irritants to the free flow of international transactions generally.

Much has been said by other delegations about the slumps in commodity prices. As an essentially agricultural-based tropical country, Nigeria is naturally gratified that trade in agriculture and tropical products is being accorded the priority it rightly deserves in the framework of the General Agreement. Agriculture is now resuming its preeminent position in our economic planning policy and export of agricultural products is a legitimate area of interest to us. Nigeria therefore supports measures, including reduction or outright abolition of subsidies, which will guarantee reasonable and competitive access to our products under the GATT rules and disciplines. Against this background, it is to be hoped that the useful proposals before the Negotiating Group on Agriculture would be flexible enough to allow for modifications that would take account of the

development interests of developing countries struggling to industrialize and diversify. Nigeria will want further negotiations in the area of tropical products aimed at a clearer definition of tropical products, to distinguish them from substitutes from or similar products of basically temperate origin, in order not to rob tropical producers of intended advantages in this area.

With respect to negotiations on the so-called new issues, my delegation remains of the firm belief that we must proceed rather cautiously in a non-ambitious pattern. There must, of necessity, be a balance between liberalization and the legitimate aspirations of developing countries towards industrialization and the acquisition of technology. On the other hand, my delegation fully joins with others in re-echoing the need to integrate textile trade within GATT at the expiration of the present Multi-Fibre Arrangement which, in essence, is protectionist.

On the question of trade in services, my delegation is understandably aware of the crucial importance attached to it by contracting parties that are asking for parallel negotiations on it. Success in the negotiations and final agreement will, however, depend on the extent to which the disadvantaged contracting parties, the vast majority of GATT, are equipped to participate meaningfully in this novel sector of the negotiations. Accordingly, we advocate a cautious programme and timing to allow the developing countries to tap the available resources and expertise which will enable them to set up or review the necessary regulatory organs at the national level without which they can neither grapple with the intricacies of negotiations nor expect to benefit from any agreements on trade in services as and when they are finally reached. As an international trading community, we shall all lose nothing in the end if negotiations are conducted and concluded in an atmosphere where no contracting party feels that its hands were literally tied behind its back.

My delegation is confident that we should be able to change the gloomy world economic climate through mutually agreed solutions to the constraints in the vitally important sectors of international trade. A strong, credible working GATT is essential to the well-being of all trading countries and is the best security against mounting protectionist pressures.

It is clear that solutions cannot be found in a vacuum nor sought with narrow vision. Let us commit ourselves to promote economic integration of our trade policies in line with the ideals of GATT. My delegation holds firmly that these commitments will usher in a new era of sustained global economic growth.