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Statement by H.E. Mr. Julio Lacarte Muró Ambassador, Permanent Representative

The participation of developing countries, such as mine, in the GATT and in the multilateral trading system it involves, necessarily centres on the contribution which their status as contracting parties can make to their development process. Development is not only the key of our efforts in the economic and social field, but often also the essential basis for the stability of the political process. The multilateral trading system is passing through a protracted and dangerous crisis, and persistent protectionist actions, frequently damaging to the specific interests of developing countries, are a major contributing factor for this state of affairs. We all know that increased recourse to nationalism and bilateralism would be the inevitable outcome of any weakening of the GATT. That is why we are all striving to make progress in the Uruguay Round of multilateral trade negotiations, which in the final analysis encompasses all the problems as well as all the solutions we are seeking to attain.

Every day, GATT issues are becoming more important in the world. Very recently, on 29 October, the Presidents of seven Latin American countries -- Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela -- issued a declaration of which I will venture to quote a few short paragraphs because they directly address our negotiations in GATT. The relevant part of the Presidents' declaration states the following:

"In international trade, the deterioration of the terms of trade is continuing and worsening to the detriment of developing countries. In breach of the standstill commitment entered into under the Punta del Este Declaration, restrictive measures contrary to the General Agreement are limiting access for our products to the major centres of consumption and distorting the Uruguay Round negotiating process. Protectionism, which is frequently discriminatory, and export subsidies, particularly in agriculture, with very adverse effects on competition in third markets, are increasing in the highly industrialized countries. The negotiations in the new areas of services, intellectual property and trade-related investment must take account of the special situation of developing countries and their need to consolidate an industrial and technological base which is consistent with their development objectives."

The declaration goes on to say:

"It is of the utmost importance that the Ministerial meeting to be held in Montreal in December should end in a firm commitment to advance in the implementation of the principles and objectives of the Uruguay Round, preserving the global nature of the negotiations and ensuring the achievement of balanced results that are acceptable to all participants. Thus, we consider it a matter of priority that the standstill and rollback commitments concerning trade barriers that are inconsistent with the General Agreement should be fully observed; that the scope and form of application of the principle of special and more favourable treatment for developing countries in all negotiating areas and modalities should be defined; that the recognition of the link existing between external debt and trade should be carried over into specific measures; and that access for the products of developing countries to world markets should be expanded and stabilized."

These are a few short extracts from the summit-level declaration by our seven countries. Still more recently, a consultation and co-ordination meeting of the Latin American Economic System devoted to the Uruguay Round was held on 4 November. Our countries will inform the contracting parties of its results through the appropriate channel very shortly.

With respect to progress in the Round so far, we would endorse the comments already expressed by some delegations which have voiced concern at the fact that no concrete advances are to be seen in the area of tropical products. Our delegation has constantly supported the cause of the countries that export tropical products, in the belief that in this area there is a commitment not only under the Punta del Este Declaration but going back to the 1982 Ministerial meeting. It is therefore our view that between now and Montreal, concrete results will have to be achieved in this field. It is no secret that Uruguay attaches special, indeed fundamental, importance to all the aspects of agriculture on which negotiations are under way in the Uruguay Round. For us, without progress in agriculture we would find it very difficult to take a positive view of any formula at the end of our work in the Round or even in the stage leading to Montreal.

In our view, the Surveillance Body has failed in its purpose of improving the situation as regards the measures the elimination of which it was to supervise in accordance with the Punta del Este Declaration. However, the standstill and rollback commitments are a precondition for the Punta del Este Declaration because they are intended to display the good faith of participants, who would eliminate the measures which cause serious injury to many countries and thwart concessions which have already been paid for, and which were indeed paid for precisely to ensure the market access now being denied. I may say that at the recent SELA Meeting, the Latin American countries took an operative decision in this connection, which will also certainly be brought to the attention of the CONTRACTING PARTIES shortly.

We have noted that there is a naturally understandable desire to achieve results in the new areas: intellectual property, services,

investment; but we also see a danger that somehow this emphasis on new areas may make us lose sight of what is fundamental in the General Agreement, namely the traditional areas, which as it happens are precisely those of importance to developing countries such as my own. It is therefore essential to take these considerations into account so that we do not arrive at the Montreal Meeting with an unbalanced situation which would then be unable to rally general support.

In the course of the negotiating process so far, we have observed that there has been strong resistance to acceptance of the proposals put forward for the practical implementation of the fundamental principle of special and differential treatment of developing countries. We fear that if this very closed and negative attitude were to persist, it would affect our current efforts to make headway through this Round. The representatives of Peru and of Mexico have already referred - and we think they did so quite accurately and we fully support their statements - to the link between the questions of debt, finance, money and trade. So far there has been a failure to accept the obvious, or at least what seems obvious to us, which is the relationship between these elements and their direct impact on trade and development, and the pressing need for concerted action in this area. We think that this link should be included in an operative manner in the results of the Uruguay Round. Access to the markets of industrialized countries and the creation of a favourable trading environment are essential elements for many countries, including those of the Latin American region, to meet their financial obligations. We would therefore reiterate the need for concerted action on debt, reflecting the shared responsibility, and also for the launching of parallel negotiating efforts in other spheres of international economic relations, such as money and finance.

Finally, I should simply like to sum up my thoughts by reading out to you the final paragraph of the declaration adopted by SELA last Friday. It reads as follows:

"The Meeting of the Trade Negotiations Committee at Ministerial Level in Montreal is not a routine exercise but an opportunity to embark on the practical steps needed to strengthen the multilateral trading system. Of course, any process which tends to neglect our fundamental interests and increase imbalances will not be acceptable. The full success of the Uruguay Round will benefit all participants. Although so far we have had no reason to be optimistic, our Ministers will judge whether these aims and efforts are shared by the other contracting parties. Consequently, our Ministers will decide upon their participation in a possible consensus in the light of the concrete possibility of correcting present imbalances."