

GENERAL AGREEMENT ON

SR.44/ST/24
25 November 1988

TARIFFS AND TRADE

Limited Distribution

CONTRACTING PARTIES
Forty-Fourth Session

Original: English

TANZANIA

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The general debate has understandably taken on the character of pre-Montreal crystal-gazing. When our delegation participated in the process which culminated at Punta del Este in the form of the Ministerial Declaration, it was very much an "Alice in Wonderland" feeling that we experienced as we traversed that part. Since then, increasingly, it has been an effort to see the wood from the trees. Quite candidly, we did not have even the remotest idea that the most tantalizingly promising words of the Punta del Este Declaration were going to be translated into 14 negotiating groups, covering trade in goods and on the top of it a special process for trade in services. For us, perhaps we are not alone in this, it has been a gruelling period of running with the hare and hunting with the hound, without even having blunted weapons in our hands, and I must say the hare has been running at an awful speed, and we have been trying to catch up.

My delegation would like to underline certain features of the international trading system which have become increasingly evident, adding up to what the distinguished representative of Brazil alluded to as two separate trading worlds. Sustained capital formation over a period of time in an industrialized world in an environment of volatile exchange rates and high interest rates, side-by-side with loss of capital through a sustained period of haemorrhage, with the increasingly unvaluable debt-servicing burden, collapse in commodity prices and cumulative impact of the negative multiplier.

If the better-endowed contracting parties optimistically believe that they have reason to look forward to a more favourable evolution of the global trading system, it can mean only one of two things. Either, they are prepared to make a major change of course in the Uruguay Round, heading in a direction other than the one now being sought by them, or they firmly believe that their so-far evident relentless insistence on incorporating new subjects in a more arbitrarily regulated trading system will give them a harvest of sustained prosperity and influence over an indefinite period of time. We very much hope it is the former. There is more than acceptable asymmetry, economic capacity, more than acceptable arbitrariness in the international monetary and financial system and more than acceptable pressure to make adjustments in the face of an environment which as yet seems to be accentuating the prevailing disequilibria in the global economy.

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The Punta del Este Declaration, by committing the Ministers to doing first things first, gave cause for hope. It gave priority to Standstill, Rollback, restoring textile trade to its overdue legitimate place in global trading, bearing in mind the narrow options available to developing countries in their choice of economic investment leading to capital formation as well as providing full unrestricted scope to trade in tropical products for the same reason. What has happened in the actual negotiation as well as in the trade and monetary and financial policies of major industrialized countries has been demonstrated in the statements of distinguished representatives of developing countries in the course of the current debate.

We hope that all concerned will fully heed what has been stated in the important and timely statement by SELA, the Latin American Economic System. We fully share the views expressed in that statement. The Montreal mid-term review will not serve the interest of the global trading system if it preoccupies itself with the "new issues" and with the preconceived idea of giving the custody of the trading system to a select few, believed to be able to reflect a political view of a very disparate community of so many unevenly developed trading partners.

Part IV of the GATT Articles has not translated itself into a special and differential treatment of developing countries beyond some ad hoc measures. If anything, the Uruguay Round needs to give more substance to the tenets embodied in Part IV. To excise it from the GATT and to make other Articles less sensitive to the very real balance-of-payments problems of developing countries is to invite deepening frustration on the part of developing countries. We hope the Montreal mid-term review will not contribute to such a state of affairs. The Punta del Este Declaration needs to be adhered to in letter and in spirit for the sake of a sound trading framework serving the interest of all and providing breathing space to the underdeveloped economies.