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JAMAICA

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The annual meeting of the CONTRACTING PARTIES has served a dual purpose in recent years. It has been an opportunity both to take stock of the regular work of the General Agreement on Tariffs and Trade (GATT) and, inevitably, to focus also on the evolution of work in the Uruguay Round. This is entirely appropriate for attainment of the goal of a more secure and predictable trading environment, consistent with expansion, growth and development, which we seek, and which will be possible only by continued careful attention to the ongoing work of the organization at the same time as we pursue the ambitious agenda of the Uruguay Round.

We consider the past year to have been a particularly busy and a particularly interesting one for the GATT. When the CONTRACTING PARTIES last met, the Montreal Ministerial Mid-Term Review was a month away. Since then we have had Ministerial Mid-Term decisions in all negotiating areas of the Uruguay Round, decisions which, with varying degrees of specificity and boldness, have given political impetus and policy guidance to the final stages of these negotiations. Jamaica believes that there is now clear reason to believe that before the contracting parties is a major opportunity to be grasped and realized. The shape of the future trading environment that is possible as a consequence of the Uruguay Round is beginning to emerge more clearly. However, it is precisely at this stage that it is most important for the participants in the Uruguay Round to give concrete and generous effect to those underlying principles and concepts which will serve to ensure that the interests of all participants, large and small, developed and developing, will be met. In this context, there must now be serious concern that significant imbalances are emerging in the negotiations. Those issues which will ensure most that the Round will benefit developing countries are precisely the issues on which progress in general, or progress as it relates to the concerns and interests of developing countries, seems to be lagging behind.

Even though concerned, we will not be pessimistic. Jamaica believes that this situation must be redressed. But this will require political will and commitments based on the letter and spirit of the Punta del Este Mandate and the Montreal Mid-Term Decisions, as well as on a realistic and sympathetic appreciation of the situation facing developing countries in the international trading system and of our general development needs. Jamaica will continue to work to ensure that the outcome in negotiating groups, such as that on agriculture, will yield mutual and balanced benefits to all participants.

Two developments during the year, arising from the Uruguay Round negotiations, which might be recalled at this meeting of the CONTRACTING PARTIES, are the establishment -- "la mise en place" -- of the Trade Policy Review Mechanism and the implementation of improvements to the GATT Dispute Settlement rules and procedures. The review exercise, -- a provisional one -- should be useful in providing information on the trade policies and practices of contracting parties, particularly so in respect of those contracting parties which have a predominant impact on the multilateral trading system. This should facilitate the appreciation and assessment of trends evolving in the international trading environment, including -- especially -- how these might relate to the interests of developing countries. The implementation of the Ministerial Mid-Term Decision in the area of Dispute Settlement is also important and to be built on. It must be noted that this area of the GATT's ongoing work is receiving, deservedly, increased attention inside and outside the Organization. We note that there is growing recourse to the dispute settlement machinery of the GATT. Paradoxically, the increasing use of the multilateral framework for the settlement of disputes has not been accompanied, necessarily, by a lessening of unilateralism. It is appropriate to emphasize, therefore, that the strengthening of the dispute settlement machinery is of paramount interest to all contracting parties, and no less so to the small trading partners which must rely on transparent, equitable and effective rules for the protection and promotion of their interests in the contractual arrangement that is the GATT.

In commenting briefly on an outstanding issue under the negotiating rubric of "Functioning of the GATT System", I will recall comments made last year by the delegation of Jamaica regarding proposals on closer institutional linkages with other relevant international institutions. In Jamaica's view, contracting parties will need to study such proposals carefully so as not to undermine the GATT nor to subordinate it to other international bodies, nor to make of it an over-arching institution. I should add that we should be careful, also, not to contribute to nor promote the deepening or further entrenchment of imbalances in international institutional policy surveillance. This is not to suggest that there is no room for co-operation, and I will return to this at the very end of my statement. Jamaica thanks the Director-General for his interesting report submitted recently to the Council in response to the invitation by the CONTRACTING PARTIES to report on ways to achieve greater coherence in global economic policy making.

The annual meeting of the CONTRACTING PARTIES provides an opportunity to comment, even briefly, on trends in and the outlook for international trade. This is in a sense one touchstone by which to judge the relevance and effectiveness of the GATT. As is known, at 8.5 per cent, growth in world trade in 1988 outpaced output for the sixth consecutive year and showed accelerated growth for the fourth straight year. All indications are that 1989, at the global level, will be another year of moderate to strong trade and output growth. The Uruguay Round can provide a basis for the continuing of these trends in the world economy. Yet, while gains by some developing countries must be acknowledged, it is important to emphasize that the situation of many developing countries contrasts significantly

with the generally upbeat global picture. The developing countries' share of world trade has fallen from 26 per cent in 1982 to 19.5 per cent in 1988. Exports from the Middle East and Africa stagnated in 1988. In Latin America and the Caribbean, while export growth doubled between 1987 and 1988, the Gross Domestic Product grew by a mere 0.7 per cent. I cite these data to make two points. Firstly, despite the fact of the longest post-war expansion in output and trade, an expansion to which sound global macro-economic policies and a successful outcome to the Uruguay Round can give even further impetus, there is the reality of the uneven performance and prospects of developing countries. This brings to the forefront the continued need and imperative to ensure that interests of developing countries are reflected fully, through specific and concrete measures, in the outcome of the Uruguay Round negotiations. Secondly, there is in the 1988 data further evidence that the traditional linkage between trade growth and output growth in a large number of developing countries continues to be weak or uncertain. The lesson in this is that contracting parties cannot ignore the trade - money - finance linkage, including the problem of external indebtedness. This realization should point the way to issues that might be addressed in the context of co-operation with other international institutions and in the context of approaches to achieving greater coherence in global economic policy making.