

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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MOROCCO

Statement by Mr. Abdellah Azmani,
Minister for Trade and Industry

It is a formidable task to have to open the discussion at such a crucial meeting.

I do so with special pleasure because I have the honour of representing a contracting party which became a full-fledged member of GATT not even eighteen months ago.

However, before communicating to you Morocco's concerns in regard to the various items on our agenda, allow me, Mr. Chairman, to pay a tribute to the Prime Minister of Canada for his address in favour of strengthening our multilateral trading system and making it more open and predictable.

I also have the pleasurable duty, Mr. Prime Minister, of thanking you on behalf of the Moroccan delegation for the quality of the welcome offered to us and the excellent working conditions set up here to facilitate our task and make it pleasant.

I want also to express my best wishes for success to the Chairman of our meeting, His Excellency Mr. Ricardo Zerbino and assure him of our full and entire co-operation.

The point of view which I have the honour of transmitting to you is that of a developing country which, like many others, is facing heavy external financial constraints.

Debt servicing, after re-scheduling, takes up 29 per cent of our export earnings and is reflected in a net transfer of resources equivalent to nearly 4 per cent of GDP in 1987.

In the face of these constraints, my country has deliberately eschewed the easy road and opted for a policy of structural adjustment based, for the most part, on wider opening of our domestic economy to the world market.

Since 1983, a series of measures has gradually been implemented, aimed at progressive elimination of quantitative restrictions, substantial reduction of tariff protection and simplification of foreign trade procedures. These measures have been accompanied by far-reaching reform of our tax system, exchange-rate adjustment, re-structuring of the public sector with a view to gradual privatization and rationalization of budgetary expenditure.

The aggregate impact of these measures has undoubtedly been beneficial, favoured too by positive trends in certain exogenous factors (rainfall, energy prices, etc.).

However, the progress made toward rehabilitating our economy has not been met with the corresponding efforts that we could rightfully have expected on the part of the international market. Whether as regards access to international bank financing, increased opening of industrial-country markets to our products, or response by international investors to our requests, there still remains much to be done to offer a real opportunity to the developing countries which, like ours, have opted for liberalization of their foreign trade policy.

This is why the Uruguay Round is so important to my country and why we are giving this mid-term review the attention it deserves.

We could return home from Montreal with a clear conscience if three objectives which we consider essential were reached:

- A confirmation of the negotiating schedule agreed on in Punta del Este;

- A clear expression of political will from each one of us to do everything to guarantee the success of this Round, in accordance with the agreed programme. In this respect observance of the principles of standstill and rollback will be a measure of the will of each and every one of us to restore credibility to our multilateral trading system;
- Finally, a re-affirmation of the link between monetary, financial and trade matters, and its strategic importance for developing countries.

The translation of these three objectives into results acceptable to us in these negotiations implies that due account must be taken of the unilateral steps my country has taken since acceding to the General Agreement.

Then, and though it is difficult to establish any order of priority for the fifteen subjects for negotiation, because they are interrelated to a large degree, we must underline the ones of particular concern to us.

I shall begin with the agricultural sector and would like to draw your attention to document W/74 which presents the main objectives and suggestions that we have in common with other developing countries. I would add that the Kingdom of Morocco attaches great importance to the progressive elimination of all the practices and impediments which distort freedom of competition in the world market for agricultural products.

As an importer of certain essential goods, it is clear to us that a reconsideration of the export subsidies granted by certain partners can only increase our ability to achieve self-sufficiency by reducing the existing gap between domestic and international prices. The corresponding increase in agricultural income will give a new impetus to growth in agricultural investment, with a resulting beneficial effect on world demand for technology and agricultural inputs.

For Morocco, as an exporter of perishable agricultural products - the so-called Mediterranean products - the elimination of obstacles to competition would re-establish the normal functioning of the comparative advantage, lead to better resource allocation in both producer and consumer countries and help to improve agricultural complementarities.

Another question that needs some consideration is that of the functioning of the GATT system and the principle of special and differential treatment.

That these two questions have been linked might seem surprising were it not for the lack of logic, or even the contradictions encountered by countries which, like mine, are in the process of implementing their structural adjustment programmes with the aid of the IMF and the World Bank. The trade-policy part of these programmes amounts to nothing less than purely and simply calling into question one of the essential bases of the General Agreement.

By drawing your attention to this anomaly, we are not trying to question the structural adjustment programmes, but rather to emphasize the urgency of establishing, within GATT, an improved surveillance system for national trade policies, and of adjusting monetary and financial policies to bring them into line with the requirements for harmonious development of world trade.

From this point of view, co-ordination between GATT's activities and those of the international financial institutions would seem essential.

We should also like to emphasize that balance of the negotiations, without which there can be no hope of reaching a consensus in conformity with the Punta del Este Declaration, presupposes that the philosophy underlying the concept of special and differential treatment will inspire each and every one of us when we come to examine the different aspects of the negotiation. The ambiguity expressed by some with regard to the concept of reciprocity and the regular attacks made on preferential treatment for developing countries call for greater transparency and objectivity.

We cannot remain indifferent to questions concerning tropical products and natural resource-based products, even though Morocco is a net importer of the first and depends less and less on the world market in the case of the second. However, their importance in this transitional stage of reorganization of our external finances means that we require easier access to markets and an environment that will help to increase producers' income. In this connection, tariff escalation is not the least important of the distortions that we must seek to remedy.

To cover the entire field, I would have had to touch on the no less important questions of safeguards, dispute settlement, intellectual property and investments. The limited time available, however, obliges me to restrict myself to essentials and, in particular, to the negotiations concerning the second part of the Punta del Este Declaration.

In this connection, the Moroccan delegation believes that a close relationship exists between mastery of the services sector and a country's performance in the world market, especially in the case of a developing country.

My delegation is also aware of the development potential of services in the future and of their impact on our economies. However, in view of differences of opinion concerning definition, coverage, and the concepts to be included within a multilateral framework, we think it important that our meeting should lead to an agreement on the fundamental directions of future negotiations. In this context, my country can only support the concept of a package of principles and generally applicable rules that would constitute a common core for sectoral agreements. This flexibility will, in our view, help both to ensure that there is broad participation in the future agreement and that it is truly multilateral in character.

Finally, we cannot emphasize too strongly the importance of taking into account the specific interests of the developing countries and the need to provide them with the technical assistance necessary to ensure that they can participate effectively and responsibly in the negotiations.

In conclusion, I hope that, together, in this meeting, over and above the mid-term stock-taking and the political impetus that we have to provide for the end of the Round, we shall stand firmly behind GATT in its tasks of controlling and managing international trade.

The economic development of each of us is at stake.