

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(88)/ST/5
5 December 1988
Special Distribution

Trade Negotiations Committee
Meeting at Ministerial Level
Montreal (Canada), December 1988

Original: English

JAMAICA

Statement by Rt. Hon. H.L. Shearer, Deputy Prime Minister,
Minister of Foreign Affairs, Trade and Industry

On behalf of the delegation of Jamaica, I extend to you, Mr. Chairman, our sincerest congratulations on your appointment to preside over the Trade Negotiations Committee as Minister of Economy and Planning of Uruguay, and presiding as you are over this Round of multilateral trade negotiations, we must take it as inevitable that the important trade/finance link will be firmly in mind.

I should also like to take a few moments to express our pleasure at the warm and generous hospitality extended to our delegation by the Federal Government, the City and Provincial Governments and the Canadian people; and, on behalf of the Government and people of Jamaica, to express deep appreciation for the long-standing Canadian friendship and support which was most recently exemplified in the assistance extended in the emergency following the extensive damage done in Jamaica by Hurricane Gilbert. This Canadian response, and the response of many other governments was important to us both in material terms and as an assurance of friendship and concern.

This Ministerial Mid-Term Review of the Uruguay Round must underpin the substantive progress made over the past two years of negotiation; and it must give inspiration to our negotiators to conclude the large and complex task in which we are all engaged. It is clear from what has transpired in the negotiations so far that there are challenges and there are opportunities. But if we work co-operatively, recognizing that each

one of us must see in tangible terms the benefits to be derived from a successful outcome, then this meeting will achieve its objectives.

Since Punta del Este, the changes and adjustments that have been taking place in the global economy have continued, and perhaps in some respects have even accelerated. The debt crisis of the developing countries has continued without any real abatement. Protectionism and the threat of protectionist measures continue. Developing countries' share of world trade has fallen from 26 per cent in 1982 to 19 per cent in 1987. This is occurring at a time when these countries need to find significant amounts of foreign exchange to service their external debt. For a number of developing countries there is the added phenomenon of a sizeable negative transfer of resources abroad averaging some US\$24 billion per year since 1982.

The adjustments in the financial markets and the adjustments in the productive sectors of major economies continue to impose burdens on the weak and vulnerable. Major enterprises are seeking for themselves greater shares in international markets through mergers and acquisitions; and major economies are seeking to enlarge their home markets through the consolidation of customs unions or the creation of free trade areas. All of these pose challenges for the multilateral trading and financial systems; but equally they can confer real opportunities if there is no retreat to unilateral or bilateral actions which ignore the fundamental principles of the General Agreement, including considerations of equity where differential and more-favourable treatment is accorded to developing countries.

These are all factors that we have to take into account as we approach our task in this meeting. On two of them I would like to elaborate briefly.

The first touches on the matter of developing countries' debt. We have consistently argued that in seeking to deal with the debt problem there needs to be recognition that nothing which prevents development in the debtor countries can be seen as a satisfactory solution - not only because it imposes an intolerable burden on the debtor country, but also because it prevents that country from becoming a more important partner in the international economy and particularly in the area of international

trade. Let us never forget that the developing countries represent the greatest potential remaining for growth in international trade, and that this potential can only be realized when their economies are enabled to develop and grow.

The second point that I would elaborate briefly touches on the first. It is simply the importance of recognizing in the context of our work that the developing countries are particularly vulnerable to the changes that are taking place, and that the conclusions reached in these negotiations must take account of that fact and must give full recognition to this vulnerability.

It is for this reason that developing countries like Jamaica attach so much importance to the satisfactory treatment of trade in agriculture and tropical products. We seek to make efficient use of our agricultural resources and to ensure the security of our people both through increased output and productivity, and through availability of food and agricultural products for consumption. A satisfactory result in the area of agriculture must therefore reflect the trade and economic interests of all, including the small developing contracting parties who are net importers of food and other agricultural products. We need remunerative prices and stable and predictable markets for our exports of tropical products. We also need stable supplies of the agricultural products that we import at prices within our means.

Beyond the basic trade issues our negotiators are also tackling the trade-related aspects of intellectual property, recognizing both the expertise and competence of the international institutions which have addressed the issue of intellectual property rights over several decades and the importance of the conventions which have evolved in this area. The trade-related aspects of investments are also being tackled. This is of course an area of overriding importance to developing countries who require larger capital flows and other kinds of investments and who must find secure and profitable export markets for the products of these investments.

The negotiations on services have been difficult and they will continue to be so because of the complexity of the issues and the relative inexperience of negotiators in devising a framework which might be

generalized for trade in the different services sectors. Each one of us recognizes the importance of services to our national economies and the contribution that services make to global welfare through providing jobs and generating income. Jamaica has a special interest in this area, because of the substantial contribution of the services sector to its national economy. Our negotiators need to be encouraged as they pursue this difficult task, and we are confident that the informal consultations taking place will lead to a satisfactory result.

We are committed to a dispute settlement system within the GATT which is fair and effective. It must therefore reflect the special concerns of small trading partners and must be based upon sound principles and carefully-framed rules. We believe equally in a more competitive world. The system of safeguards must contribute to this and must therefore be strengthened and improved as a multilateral instrument of regulation.

At Punta del Este we committed ourselves to the standstill and rollback of certain protective measures. The fulfilment of these commitments so far have been uneven and less than anticipated. Disappointing as it is, it is perhaps understandable given the prevailing uncertainties in the world economy and the costs of adjustment. But it must be understood that many developing countries including Jamaica have played their part through the lowering of border protection by reducing tariffs and removing non-tariff barriers. This contribution requires concrete recognition by our major trading partners, whose exporters now enjoy improved access conditions and compete on more-favourable terms with local producers.

Somewhere towards the end of these negotiations we will begin to see more clearly the kind of GATT that is emerging, its scope, its nature and its reach. We are living in a world which will benefit from not less but more co-ordination of policies, more openness, and more co-operation. We must all recognize that the enlargement of GATT's responsibilities will require significant increases in resources to sustain it.

This meeting is another, but important stage in the continuing process of trade liberalization and trade expansion. It conditions the next stage of negotiations which will commence in Geneva in January of the New Year. We need to emerge from this Mid-Term Review in good spirit and confident in the feeling that we are working together in a common cause.