

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

MTN.TNC/MIN(88)/ST/6  
5 December 1988  
Special Distribution

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

Original: English

PAKISTAN

Statement by Mr. A.G.N. Kazi,  
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May I begin by complimenting the Government of Canada for hosting this important meeting which provides a unique opportunity for formulating a new framework for international trade in the twenty-first century. At this mid-point meeting of the Uruguay Round, we need to evaluate the past progress and set the course for the next two years. We should not miss this opportunity of providing a strong and dynamic environment for the expansion of the world economy and trade.

It is gratifying to note that under the Uruguay Round intensive discussions have taken place during the past two years. The work of the formal meetings of the Negotiating Groups has been reinforced by informal meetings and contacts. In this context, I may perhaps mention the Ministerial level meeting at Islamabad in October 1988, which we hope contributed to development of a clearer perspective and broad consensus on certain issues.

While concrete progress can be discerned in several groups, very little or no advance can be detected in some of the others. And many of these other areas happen to be the ones which are of direct interest to the developing countries. An effort is required to achieve substantial progress.

In this context, our disappointment has been particularly acute with the treatment that has so far been accorded to textiles. We cannot discern any willingness on the part of the developed countries to seriously address

this crucial area of negotiations. Let me say, unequivocally, that this is the most important area of negotiations for my country and it is simply not worthwhile for us to participate in the multilateral trade negotiations if the restrictions imposed under the Multifibre Arrangement are not addressed in the Uruguay Round. As in all other areas of negotiations, Ministers here at Montreal must provide clear guidance for a timetable to phase out the MFA restrictions and to reintegrate textiles in GATT. As an earnest of our good faith, let us agree on an immediate freeze on further restrictions under the MFA.

Similarly, we must also express our concern over the lack of substantive progress on the "safeguards" question, discussions on which have yet to come to grips with the real issue. Let us agree that the new safeguards understanding should be such as to provide for development of trade, and not for use as a protectionist tool. Modalities must be determined in detailed negotiations but we should adhere to the three basic principles: namely, that the safeguard measures should be of limited duration; be based strictly on the principle of non-discrimination; and grey area measures, which result in selective application, be proscribed.

The negotiations on services in the Uruguay Round have opened a new chapter in multilateral trade negotiations. The issues are complex and the negotiations are bound to be protracted. We would, however, like to stress that liberalization of trade in services must be accompanied by a freer mobility of people who will be managing these services when they are exported to other countries. Secondly, it must be appreciated also that as in the case of industries there must be recognition of infant service argument. The developing countries have a legitimate claim to protect their services in their infancy and till they reach a stage when they can face international competition.

Agriculture is the very life blood of the economies of the developing countries and is much less important in most of the developed countries. In developing countries problems and prospects in agriculture impinge on poverty and hunger, production and productivity, employment and distributive justice. Any short-term and long-term solutions in agriculture must reflect these considerations. We fully support the laudable objective of eliminating massive subsidization in the developed world which has had such dire effects on production and trade in

agricultural commodities. We would however, urge that the incentives maintained for farmers in developing countries - designed to raise productivity and narrow the technology gap - should not be equated with subsidies in the developed world.

Finally, in areas like Trade-Related Aspects of Intellectual Property Rights and Trade-Related Investment Measures a great deal of work remains to be done in defining the issues and more precisely in finding formulations that would address the fears and apprehensions of the developing countries flowing from the implications of multilateralizations in these areas.

The outcome of the Uruguay Round will have a profound bearing on the growth of the global economy as well as that of international trade. It is imperative that an all-out effort should be made to reconcile divergent national interests and to ensure a harmonious system of international trade which will lay the foundation of human prosperity in the twenty-first century.