

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

MTN.TNC/MIN(88)/ST/22
6 December 1988
Special Distribution

Original: English

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

INDONESIA

Statement by Dr. Arifin M. Siregar
Minister of Trade

My delegation wishes first of all to thank the Government and people of Canada for graciously hosting this very important Mid-Term Ministerial Meeting of the Uruguay Round. I would like to congratulate officials of our host-country for the excellent arrangements which have been made to facilitate the conduct of our meeting.

On behalf of our delegation, may I also express our congratulations to you for being elected as chairman of this Ministerial meeting. We are confident that with your wise leadership we shall achieve success in this meeting. It will be our great pleasure to co-operate with you in every way we can.

May I also take this opportunity to congratulate Mr. Arthur Dunkel, the Director-General of GATT for his leadership in Geneva. It has made it possible for us to meet here with the necessary substantive preparation. Furthermore, I would like to express our thanks and appreciation to the GATT officials for their tireless and highly competent support throughout the past two years of the Uruguay Round negotiations.

My delegation has come to this important meeting with a sense of hope coupled with a sense of realism. We are obviously aware of the importance of our final goal of establishing a world trading system which is more free, more transparent and more able to help the development of developing countries. We remain deeply attached to that goal. We are equally aware, however, of the real obstacles that we are facing and the need to be resolute about overcoming them. It is therefore with this positive realism that my delegation has come to Montreal to attend this Ministerial meeting. It is also with this spirit that we shall continue to participate actively in the Round.

Before I touch on the specific aspects of the negotiations which my delegation wishes to underline, I wish to emphasize a number of general issues which my country regards as important.

In the past two years we have dealt in great detail with many of the specific as well as the technical points which are the subject of negotiations. Our respective delegations in Geneva should certainly continue to deal with those issues. However, here in Montreal, Ministers have the opportunity to reiterate the more fundamental issues which require political commitments without which we cannot expect to achieve satisfactory results.

Foremost in our mind as we enter negotiations in the Uruguay Round is our commitment to development. We believe that our developmental goal would be served with a free world trading system which is also attentive to the needs of developing countries. In so doing, our major main interest in our development goal, namely growth and employment would be better served.

In the pursuit of our developmental goal, it should therefore be understandable that we wish to ensure that the long-standing traditional areas of trade, namely tropical products, agriculture and textiles would receive attention and would be placed in a more satisfactory international arrangement based on a freer world trade.

But our concern for development also means that we are aware of the importance of new issues in international trade. That is why we have kept an open mind.

Our concern about the need to find timely and satisfactory solutions to the traditional issues which have been neglected for too long is therefore related to our sense of urgency about our development objectives.

If negotiation obstacles are put into place even in an area in which we have all agreed to make early results, then it would be even more difficult to achieve negotiating progress in areas where participants are even less familiar and where views may be even more divergent. Clearly, the most urgent early results must be achieved in areas where we have made commitment to do so. However, our development commitment makes us also open-minded about new issues as well, provided we are satisfied that our development needs are fully taken into account. That is why in my country, all the fifteen issues have received a great deal of attention although we in Indonesia have understandably our own priorities.

My delegation finds it disconcerting that various discussions in Geneva had, wittingly or unwittingly, resulted in a reluctance on the part of major developed countries to recognize the significant efforts made by developing countries to unilaterally deregulate their trade and development policies. It should be emphasized that these policies involved a number of social and political risks. It is indeed an act of special courage when governments of developing countries embark on such a sensitive task of policy adjustment.

Not to appreciate these efforts of the developing countries by advancing arguments of technicalities may be a serious disservice to the trade liberalization efforts. This in turn risks eroding the domestic support needed for continuous and consistent deregulation in the developing countries. Therefore, I hope we shall not be so short-sighted as to ignore these important adjustment efforts in developing countries.

Permit me now to touch on a number of specific issues connected with the Uruguay Round negotiations. In the Punta del Este Declaration, it was clearly stated that tropical products should be an area where early agreement must be reached. Although some progress appears to have been achieved in Geneva, it is not yet sufficient to serve as a strong message to the international community about the firm commitment that we all have made in Punta del Este. I hope that further substantial progress could be achieved in Montreal consistent with our Punta del Este commitments. In this connection, we are encouraged by Japan's positive approach to the negotiations in tropical products. I look forward to further improvements in Japan's offers in the course of the negotiations and hope that other major countries would be equally willing to make significant contributions. Indeed, a commitment for zero tariff on such important products as coffee, tea, cocoa, spices, tropical fruits and tropical flowers would be a positive contribution. On our part we are continuously striving for further liberalization in our trade policy including in the area of tropical products.

Agriculture is another area in which may contracting parties have an obvious interest. Indonesia is an active member of the Cairns Group and we endorse fully the position of this Group. We believe that the Cairns Group's proposal as submitted in Geneva last July constitutes a constructive starting point from which the international community can begin to develop a more viable and open world trading arrangement in agriculture. We hope that important trading countries would similarly take steps so as to arrive at a constructive starting point in the negotiations in agriculture.

In the field of textiles, I believe my country has taken a constructive and realistic position. In so doing we believe that we have been consistent with the common objective as stated in the Punta del Este Declaration of bringing textiles into eventual integration in to the GATT system. In this regard, allow me to reiterate our position that the present arrangement in textiles which is a derogation of GATT principles and rules simply cannot continue indefinitely. We recognize the importance of a transitional stage for structural adjustment. However, tangible progress must be achieved so as to show that in the future, trade in textiles and clothing will become more open and transparent. Therefore, significant steps must be taken to bring textiles into the fold of GATT rules.

On the new issues under negotiations in the Uruguay Round, our attitude remains open. In dealing with these issues, we are guided by the imperative to ensure that any framework governing new areas in

international trade would have a positive impact on the development of the world trading system. To this end, we in Indonesia are carefully studying the implications of the new issues on our long-term development efforts.

Public support in our respective countries for our efforts to deal with the new issues, in the long-run, could only be forthcoming if we deliver our commitment to resolve the long-standing or traditional issues. We, in the developing countries have done our share in taking concrete steps towards achieving the objectives of the Uruguay Round. We hope that those countries, more fortunate, more powerful and more economically advanced would also begin to take significant steps to ensure that we can achieve tangible and credible results in the coming two years and beyond.