

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

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

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COLOMBIA

Statement by Mr. Jorge Rodriguez Mancera  
Deputy-Minister of Economic Development

I, too, would like to convey the special greetings of my Government to the distinguished representatives of countries members and of GATT and its senior officials and to tell them that we have come to this Ministerial meeting in the expectation of seeing the purposes of the General Agreement, and particularly those indicated for the Uruguay Round realized. We firmly believe that, at this half-way mark of the Round's duration that we have now reached the uncertainties as to its outcome and potential will be dispelled by concrete achievements.

Upon its accession to the Agreement in 1981, Colombia determined to work towards the creation of an international market free of impediments and distortions, in spite of the complex conditions that we have had to face in developing our economy. And, in fact, once the difficulties arising from the special measures which had to be taken in 1984 had been overcome and the consultations in 1985 and 1987 had been carried out to our full satisfaction, the country once again entered a phase of recovery of its foreign trade which enabled it to implement a combination of policies and measures for liberalizing its trade structure. It is worth mentioning, inter alia, the following:

- Adjustment of the exchange rate
- Progressive liberalization of our imports, which reduced import licensing from a coverage of 75 per cent in 1985 to 45 per cent in 1988, and will reduce it to less than 40 per cent in the next few days.
- Tariff reform, which has been eliminating excessive protection and the wide range of duties. The present government has already issued five executive decrees reducing duties for 2,111 of the 5,270 headings of our customs tariff, making them more uniform at an average level of 22 per cent. We are continuing to work resolutely in this direction.

The foregoing clearly shows the trend of our trade policy and provides convincing evidence of our will to contribute to the objectives that have brought us together today.

### Functioning of the GATT system

Colombia is a convinced and determined supporter of strengthening the system and seeking greater consistency and efficiency between monetary, financial and trade policies at world level.

This means:

- We look with interest upon the possibility of establishing a mechanism for the periodic review of the trade policies of the contracting parties with a view to ensuring a greater transparency of the system. Account will have to be taken, of course, of the particular and special circumstances of some countries and of those peculiar to world trade.
- We are firm supporters of greater commitment and ministerial participation to strengthen the system and activating the negotiations. We wish to be present in whatever procedure is adopted for the work at ministerial level.
- We advocate greater consistency and harmonization between monetary, financial and trade policies in the international context, since recent experience has shown us how external imbalances and volatility in exchange rates adversely affect international trade and almost inevitably lead to protectionist pressures. The very phenomenon of the worsening of the debt situation resulted, to a large extent, from this lack of co-ordination and possible solutions of the problem require a more favourable global climate, in terms not only of greater stability in interest rates but also of greater export opportunities for countries in the process of adjustment.

The absence of such policy co-ordination has meant, in our case, for example, that the international banking establishment has still not understood and appreciated the effort and trend of our trade policy and is consequently not giving us the support required by our economy and our development strategy.

### Hopes for the Uruguay Round

Tropical products and agriculture are the seedbed in which the confidence in the system that the developing countries do not yet possess must sprout. Unfortunately, the little progress made so far is not calculated to dissipate our pessimism.

It is no secret to anyone how the difficulties of access to international markets and the protectionist agricultural policies of the industrialized countries have helped artificially to depress the sector's relative prices. For us, they have acted as a brake and a factor of regression, which have fanned serious social and political tensions in the rural sector and have encouraged a shift to undesirable social and economic activities strongly stimulated by the markets of the developed countries.

For Colombia, the tropical products negotiations constitute the foremost manifestation and practical opportunity of the Uruguay Round, since these products account for 70 per cent of our exports. Our trade liberalization efforts have been maintained in the hope of obtaining something in return in this group of products.

We were hoping for appropriate and specific responses at this Ministerial meeting. Unfortunately, the offers we have received in the negotiating group from the industrialized countries are unjustified. They bear no relation to the effort we have been making and are a discouraging international response to the great efforts in our trade policy. I appeal for understanding to the ministers from the developed countries so as to prevent this meeting from ending in new frustration of our expectations and prospects.

Colombia, like all other contracting parties, is taking part in the multilateral effort represented by the Uruguay Round with a deep sense of its responsibilities and obligations, but also of its rights. A country like Colombia cannot be asked only for contributions to this process. If we do not also obtain some benefit for our foreign trade, it will be difficult to go on justifying a positive and constructive attitude, not only in these negotiations, but also in the entire process of liberalizing international trade.

Like our fellow members of the Cairns Group, we hope that, for other agricultural products, the final phase of the Uruguay Round will make it possible to correct the protectionist policy of the developed countries by eliminating the subsidies which distort prices and nullify our obvious comparative advantages in major agricultural sectors.

#### Latin American Economic System

Finally, I should like to express our support for the content and the terms of the statement made by the Latin American Economic System at this meeting and we appeal to Latin American solidarity as an essential condition for the achievement of our common destiny.