

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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TANZANIA

Statement by Mr. J.C. Rwegasira,
Minister of Industries and Trade

My delegation is delighted to see you in the chair which signifies the continuity of the Uruguay Round, which is now a historic link with your friendly country Uruguay. You have already demonstrated your skill and efficiency in conducting this Mid-Term Review of a process whose success is so vital to the well-being of developing countries.

We are indeed grateful that this Review is taking place in Montreal, in friendly Canada. The relations between Canada and Tanzania have been warm and cordial; and Canada's contribution to Tanzania's development has been consistently significant and fully respects our own responsibility for our own management. We thank our hosts for the courtesy and kindness extended to us during our stay in Montreal.

More than two years ago, the Punta del Este Declaration to which we all jointly subscribed, gave us ground for hope that protectionism would be halted, liberalization promoted and the world trading system would enable developing countries to develop their full potential in all spheres of economic production and take an increasing share in the international division of labour. The Declaration represented the collective political will of the international partners, actual and potential.

The Declaration specifically underlined the urgency of providing market access without inhibition to developing countries' exports of tropical products. Judging from the nature and content of the several reports presented to us by our negotiators in Geneva, a question may well be asked why are we here at this particular juncture? It is one thing for the Ministers to be given an account of the progress made by our negotiators. It is another thing altogether for Ministers at this stage to take upon themselves the negotiating process, set so elaborately into motion at Geneva. Still, now that we are here it behoves us to do what the Punta del Este Declaration informed our negotiators to do, that is to agree on urgent implementation of complete liberalization of imports of tropical products in all their production range unimpeded by tariffs and non-tariff measures on the part of the developed countries.

At the same time, those developing countries which are party to the Lomé Convention are entitled to off-setting compensatory arrangements to enable them to cushion adjustment costs consequent upon the liberalization of tropical products in favour of all developing countries in the context of the Uruguay Round. In the absence of such arrangements the ACP countries will be compelled to reassess the political implications of the Lomé Convention.

It is our candid Mid-Term Review that there is need to make haste slowly in all the other new areas, as the phrase goes; there are many reasons for saying so. The very comprehensive scope of the undertaking at Punta del Este, altogether unique in the annals of international economic and trade relations, necessarily involved extensive and elaborate preparations in Geneva. It is to the credit of our negotiators, with close co-operation and collaboration of a competent GATT secretariat under its able Director-General, that such a broad front movement has been under way.

Not that all participants were even remotely endowed with comparable negotiating capacity and experience. Even so, their endeavours do not appear to have been significantly rewarded. The Surveillance Body's report which underlines the continuing fact of protectionism and of inaction with regard to standstill and rollback commitments confirm our fears that the GATT may have been meant to be different things to different interests. We are asked to accept that the original premises on which the GATT had been established can be set aside when they are inconvenient for some major trading nations, while it is perfectly legitimate to bring in new issues to the fore, even when they are either sought to be given a much wider interpretation than that of the Punta del Este Declaration as appears to be the case with trade-related intellectual property; or they are prematurely brought to the fore, as in the case of trade-in-services, when the Uruguay Declaration left the very basic question of definition of principles, sectors and disciplines in trade-in-services to be worked out in the course of negotiations.

The Punta del Este Declaration gave particular attention to the needs of developing countries, including the least-developed ones. I wish to urge for serious consideration, the proposals relating to least-developed countries as contained in document MTN.GNG/W/15. These countries are under immense pressure to make structural adjustment which is increasingly being seen by some to be tantamount to privatization. But whether private or public, textiles are textiles, leather goods are leather goods, tropical products are tropical products, compounded debt continues to bite into development resources and under-developed physical and social infrastructure continues to stifle production and productivity. No adjustment will be meaningful which does not give full play to the potential for production and trade in these areas. For the developing countries to have to face an insistence within the GATT framework, for inclusion of new issues which reflect the concerns of those who are early comers on the technological and scientific stage, while relegating almost into oblivion and the very basic options for development available to the developing countries, is to ask them to stand on their heads instead of on their young struggling feet.

I would like to make a brief comment on several of the subjects so far under negotiation in Geneva.

1. Tariffs: These are historically proven means of meeting a mix of needs at a particular phase of social and economic development. As a least developed country we would wish to retain full flexibility in this connection.
2. Access to markets: At our stage of development, it is inconceivable for us to invest significantly in high technology. We have little choice but to resort to conventional technology in order to optimize the potential we have in national resources and tropical products. GATT will only be meaningful to us if textiles and the secondary industry products are permitted to develop comparative advantage without any let or hindrance. The message of the MFA, "don't be too successful" has to be replaced by positive encouragement to developing countries to succeed with a view to becoming active trading partners.
3. Agriculture: Unlike in the case of countries which have reached a certain stage of industrialization, for us agriculture is not an industry with all its industrial linkages. It is the primary means of life support as well as of long-term economic development. We must therefore retain all options for developing and modernizing this sector of critical importance.
4. The new issues: In the face of accelerating technology propelled by the capital market in an international monetary and financial environment which has visibly and dangerously lost equilibrium, the GATT Articles, in particular Articles XVIII, XXI, and XXVIII as well as Part IV of the GATT stand out in sharp relief. If only to ensure sustained net domestic capital accumulation, these articles should not be made a basis for unconstructive controversy. The injunction of net domestic capital formation needs very much to be kept at the forefront by my country in considering the implications of trade-related investment measures, trade-related intellectual property rights, and in the other separate new issue of trade-in-services.
5. Functioning of the GATT system: As a least-developed country, we must hope that efforts to strengthen the functioning of the GATT system will lead to a mechanism or mechanisms which will respect and promote the interests of all trading nations, large and small, in a framework of complete transparency, symmetry and respect for national sovereignty, in the self-evident realization that much greater disciplines and self-restraint must be shown by the major trading partners of the world.

In conclusion, we fully share the concern expressed by Nigeria with regard to the issue of the export of domestically prohibited goods, covering a spectrum of hazards and we reiterate the important understanding in the Punta del Este Declaration for a penultimate phase for reviewing the process of negotiations covering the entire field with a view to reassuring developing countries that their interests were being fully

protected and indeed promoted. We fully associate ourselves with the statement by the distinguished Minister of Côte d'Ivoire in which he included the important declaration of what are real concerns to African countries.

In subscribing to the Punta del Este Declaration, we have been seeking an understanding that for us tomorrow can only take shape out of today just as the today of many an industrialized country took shape out of their yesterday.