

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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PHILIPPINES

Statement by Mr. José S. Concepcion
Secretary for Trade and Industry

As the last speaker this morning, may I, in the words of Marc Anthony, ask you to "lend me your ears".

The various contracting parties, and especially the developing countries, have pinned their hopes on the favourable outcome of the current multilateral trade negotiations as a comprehensive means of improving the international trading environment in which their development efforts can proceed in an orderly fashion. Because we have devoted a lot of time and effort to prepare for this Mid-Term Review meeting, we hope that these will not have been wasted, and we call on the United States and the EEC to exercise the kind of world statesmanship that will give substance to the act of faith made by Mr Enrique Iglesias in Punta del Este.

World conditions then made the launching of the ship almost impossible, as Economic Minister Bangemann so aptly put it in his earlier statement.

The United Nations was established as an international organization dedicated to the pursuit of world peace. As an offshoot of the attempt in 1947 to establish the International Trade Organization under the United Nations, GATT should therefore contribute to the attainment of the United Nations' mission of world peace. We believe that our dream and vision of world peace as a permanent condition can only be fulfilled through the building of a new international economic order that will address the root causes of the political and economic conflicts in the world. We believe that the Uruguay Round, by improving the GATT, is an important step towards the realization of this dream.

In spite of the ongoing Uruguay Round, the protectionist trend and the erosion of the multilateral trading system still persist. Together with high interest rates and volatile foreign exchange rate fluctuations, these place developing countries in a more difficult situation, particularly those which have heavy external debt obligations. The serious debt problem of forty-eight countries with creditor countries must find a just solution because developing countries cannot carry the burden of loan obligations and meet the need to create jobs domestically. We devote 40 per cent of our merchandise export revenues to external debt servicing.

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As a developing country, we subscribe to the principle of trade liberalization, but with special and differential treatment for developing countries.

We feel that, in the spirit of the principle of special and differential treatment, only greatly improved access to developed country markets will enable us to meet our obligations in the face of conservative debt reschedulings.

World Bank President Mr. Barber Conable said earlier that the estimated annual value of aid from all developed countries was \$35 billion a year, while their trade barriers blocked exports to them worth \$60 billion. In other words, while they give with their right hand, they snatch almost twice as much with their left hand.

The poor man in developing countries is confused as to what developed countries want to do for him. The poor man says that if his exports reach a certain level, the developed countries put voluntary export restraints into operation. When his exports become competitive, they impose a quota. When his exports are agriculture-based, they require health and phytosanitary certificates. When his exports are manufactured, they insist on testing standards. When his exports are good products in themselves, they look at the packaging. And when his exports make the grade in all these ways, they bury them under voluminous customs formalities and documentation requirements.

Among the structural reforms we have undertaken and have committed ourselves to undertake in order to qualify for economic recovery loans are several sets of trade liberalization packages implemented on a unilateral basis. We feel strongly that such autonomous liberalization measures undertaken by developing countries should be given credit as part of our contributions to the Uruguay Round.

Where we had 228 tariff lines with a tariff duty of 100 per cent and another 119 line items with a tariff duty of 70 per cent, today we have no rates above 50 per cent. Our average nominal tariff rate dropped from 43 per cent to 28 per cent in 1985, which represented a tariff cut of 35 per cent over a period of four years. Mr. Chairman, this tariff reduction exceeds the 30 per cent tariff cut proposed in the Negotiating Group on Tariffs. We have also unilaterally liberalized the import of 2,159 items.

As a tropical country where 50 per cent of the labour force is employed in the agricultural sector and 30 per cent of our total exports are tropical products, I am encouraged by the efforts made by participants in arriving at an "early harvest" package on tropical products in Montreal, and hope that this serves as a catalyst to sustain the momentum for further liberalization in this area during the remainder of the Round.

This action strengthens our act of faith made in Uruguay and leaves developing countries with reason to hope that GATT is not a club for rich countries. Here, in Montreal, we responded to the Punta del Este Declaration where the [CONTRACTING PARTIES] "recognize the importance of trade in tropical products to a large number of less developed contracting parties and agree that negotiations in this area shall receive special attention" by having an early harvest on tropical products in this Mid-Term Review.

International trade is not carried out with abstract concepts in an ideal world of perfectly competitive goods, labour, capital and money markets. It is conducted in the real world of people who need jobs; of developed and developing countries that need export revenues and to build their industries. Therefore a single set of simple rules cannot justly govern trading in a complex international economic order made up of numerous countries at varying levels of economic development. Difficult as it may be, however, we have to keep trying to arrive at a workable set of rules that will promote the interests of rich and poor countries alike.

Apart from operating in an unstable and barrier-laden international trading system, developing countries also have to contend with the threat of political dictatorships. The Philippines is fortunate to have peacefully toppled its dictator and joined the ranks of the newly-restored democracies. However, we are still engaged in a ceaseless, daily struggle against other dictatorships which, in the words of Minister Celso Furtado of Brazil, are:

1. The dictatorship of hunger and poverty
2. The dictatorship of illiteracy
3. The dictatorship of unemployment
4. The dictatorship of foreign indebtedness

We earnestly hope the Uruguay Round will help us to vanquish all these dictatorships.