

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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ZAMBIA

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I wish to thank you most sincerely for the privilege you have accorded me to address this distinguished gathering of the mid-term review of the multilateral trade negotiations.

My delegation wishes to join those of my colleagues who have spoken before me in expressing our delight on your election as Chairman of this Ministerial review meeting. We are confident that your personal performance and that of your great country Uruguay will ensure the successful conclusion of this meeting. It is my humble submission that my delegation will give you full co-operation.

We have been greatly inspired by the wise and encouraging words of solidarity which were made by Canadian Prime Minister Brian Mulroney. The relations between Canada and Zambia and, indeed, other African countries is very warm. Canada has shown considerable understanding of the economic difficulties that face less developed countries.

Some of our countries come to this meeting at a time when we are undergoing severe economic hardships which have to a large extent come from the way international trade has been conducted. We from Africa in actual fact have over the past decade been going through a period characterized by slow negative economic growth, persistent balance of payments difficulties, using an increasingly stifling debt burden and a general fall in the living standards of our people. The cause of this trend of things has to a large extent its roots on what has transpired on the international economic scene. Our economies lack the necessary internal linkages as to cushion the impact of any movement in the international market. One might then wonder why with so many internal problems, we are busy taking part in these negotiations when we should be busy trying to put our own houses in order. The reason is simple. What transpires from this round of negotiations will have far reaching consequences on the way international economic relations will be conducted, so we strongly feel that we must contribute to shaping the nature of rules and procedures that may be agreed upon. We certainly do not want to find ourselves in a situation we encountered with regard to the International Monetary Fund and the World Bank whose articles and way

of operation we never took part in formulating. It is against this background that we take these discussions seriously and will ensure that whatever is the outcome, takes account of our currently weak and vulnerable position in the international economic set-up.

A lot has been happening in the way of countries coming together to form regional groupings with the sole purpose of enhancing their economic potential through enlarged markets. The underlying philosophy behind all this is the realization that a bigger market will provide greater opportunities for economic entities in these regions and enable them to reap the benefits of economies of scale. At the same time most of the countries in these economic groupings are at a similar level of economic development so that individual countries are able to visualize the benefit of such economic co-operation.

The European Economic Community is moving towards integration of their national markets into one single market of 320 million people by removing physical, technical and fiscal barriers to trade by 31st December 1992. We have seen the signing of the USA/Canadian Trade Agreement which will provide greater opportunities for the citizens of both countries. Some time this year, the Soviet Bloc Trade Council agreed to establish official relations with the EEC. This should open up the road towards eventual integration between the COMECON Group and the EEC thereby creating what would be one of the most powerful integrated economic systems in the world. Australia and New Zealand this year signed a "close economic relations agreement" providing for a broader variety of goods to be traded within the free trade area, and also provides for the extension of the agreement to cover services. This is not an exhaustive list of moves towards greater economic co-operation between countries but gives an idea of the current trend of thought.

An important characteristic of all these regional economic groupings is the similarity in level of economic development of the parties. This element tends to give partners to the agreement a sense of confidence about the future prospects since they know they are starting from more or less similar positions of strength. This certainly cannot be said of the sort of integration we are talking about under this round of negotiations. In the round, we are talking of the bringing countries at different levels of development together under one international market system. The level of development at which a country finds itself will determine the opportunities available to it under the envisaged economic environment. This diversity in level of development makes it imperative that the particular circumstances of developing countries are taken into account to ensure that whatever gains they have attained so far are not swept away by the envisaged economic trade system.

Whilst all these moves towards economic integration and trade liberalization have been going on as indicated above, we in Africa have not just sat back. In actual fact, realizing our vulnerability and weakness individually in the present international economic order African countries

have joined regional groupings whose main objectives and aspirations are in line with current moves towards greater economic integration and trade liberalization between countries. These moves have been propelled by the realization that we face similar problems which seem to be peculiar to our continent thus to enhance our chances of economic development we have joined forces and several regional groupings striving for similar objectives as at this round of negotiations have come up. ECOWAS in West Africa and PTA in Eastern and Southern Africa are such bodies to mention a few.

Maybe for the benefit of those who have not heard of the PTA, let me briefly speak about it and what we are trying to achieve. The PTA standing for "Preferential Trade Area" was formed in 1981 with a view to the promotion of co-operation and development in all fields of economic activity particularly in the fields of trade, customs, industry, transport, communications, agriculture, natural resources and monetary affairs with the aim of raising the standard of living of its peoples, of fostering closer relations among its member states and to contribute to the progress and development of the African continent. Thus the PTA was formed with a view to enhance the productive potential of economic entities within the region by enlarging the market. The PTA also addressed itself to the peculiar problems of its member countries, an example of this is the establishment of payments and clearing house which addressed the problems of lack of sufficient international convertible currencies amongst member states. Through this mechanism exporters and importers are able to enter into transactions without necessarily having foreign currency. Thus a slight innovation in payment system has enabled member states of PTA to enhance trade amongst themselves.

We also do realise that in numbers we can have strength, thus the PTA by bringing 15 countries into a common market, we can enhance chances of getting a fair and better deal in negotiations just like the EEC and other regional bodies have been doing. The PTA even though it starts with the word "Preferential" does not aim at excluding non-members from participating in the PTA market, but rather is aimed at stimulating development and growth. Thus through this body we will be able to moderate the impact of international trade liberalization on the economies of the regional grouping.

The objectives of our regional grouping are not in conflict with those of GATT; they are complimentary and are intended to support co-operative efforts which are being undertaken in order to enhance social and economic development and growth. Sustained economic growth and social harmony are important ingredients of international co-operation. It is because of this that Zambia fully supports the efforts which are being taken under the Uruguay Round, to strengthen GATT so that it can deal fairly and firmly with issues of the enlarged international market.

Let me at this point comment on the issues that are under review at this round of negotiations.

1. Tariffs

History shows that countries have at one time or another used this mechanism to establish a base for economic development. In actual fact the success stories of the modern economies are a case in point. We would not want a situation where we are denied this in our quest to catch up with other countries in industrial development. Thus we would urge to be allowed some element of flexibility in this area. This should not be construed as pursuing a protectionist stance.

2. Agriculture

This is an area which provides great hope for economic development in our country. Agriculture provides the means of survival for a large part of our population. Its stage of development is certainly very different from that of developed countries. This means that the right balance must be found between making borders more open to other countries in the name of market principles and protecting domestic producers, because for us this is a matter of life and death. Since this is a sector which can form the basis of our industrial development we would urge that we are allowed an element of deciding what is proper for us.

3. Access to markets

Our level of development dictates that we utilize conventional technology. In these areas we have developed a comparative especially in the production textiles and tropical products. Success in this area has not been without bottlenecks in the form of non-tariff barriers by industrialized countries. It is important that industrialized countries give a chance to us to realize our full potential in this area for the benefit of all.

4. Trade in services and intellectual property rights

Trade in services represents a major growth area in both developed and developing countries. It is therefore important that proper planning for these services be undertaken before considering rules and regulations.

5. Functioning of the GATT system

On this issue, I wish to echo my Tanzanian colleague's sentiments that efforts to strengthen the GATT system will lead to a mechanism or mechanisms which will respect the interests of all trading nations - large or small. This will inevitably require greater discipline and restraint by the major trading nations.

In conclusion, I wish to urge that sight should not be lost of the developments being made by the third world regional groupings as these address basic and fundamental developmental issues. The realization of these developments will go a long way in the integration process of different markets and in providing equal opportunities and benefits for all contracting parties.

It is important that the spirit of the Punta del Este Declaration must continue to guide us in our pursuit for a just international co-operation which should evolve systems and rules which will safeguard the interests of small, big, poor and rich alike and without discrimination in their application. Any departures from these noble and fundamental ... will be vigorously resisted.