

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee

STATEMENT BY THE AFRICAN COUNTRIES AT THE  
TRADE NEGOTIATIONS COMMITTEE OF THE URUGUAY ROUND

Geneva, 23 July 1990

1. As we are entering the final critical phase of this most ambitious and diversified multilateral round of trade negotiations, it is important to reflect on the overall situation of the negotiations. In this connection, the African Group reiterates its position as reflected in the statements which were made during the Mid-term Review in Montreal in December 1988 and at the meeting of the Trade Negotiations Committee in April 1990. Despite efforts made by individual and a group of African countries during the negotiations to emphasize our positions on the various negotiating issues, our concerns have not fully been taken into account, as reflected in the various documents prepared for the GNG, GNS and TNC meetings. Africa is still suffering from a number of related national and international factors which include a marked degree of underdevelopment of social and physical infrastructures at the start of political independence contributing to low rate of economic growth, the collapse in commodity prices, a stagnation and decline in Official Development Assistance (ODA) in real terms, the unprecedented high interest rates, increased protectionism, severe and persistent drought, and acceleration of the decertification process. A lasting solution to these problems will not depend on short-term emergency measures but on the structural transformation of the African economies.

2. The African countries actively participated in the negotiating groups with the objectives of defending existing interests. In this connection, they indicated their positions individually and collectively on the issues which are of importance to their development. Africa also expressed its concerns about procedures and modalities adopted in the various negotiating groups. Nevertheless, the interests of African countries are not adequately taken into account at the different states of the negotiations. The draft texts which are prepared on the basis of different submissions by participants reflect the inadequate priorities being given to issues that are of interest to African countries while on the other hand there are growing pressures on them to undertake new obligations. The legitimate concerns of African countries expressed several times still remain a challenge at this stage of the negotiations.

3. While liberalization can be a means to achieving improved welfare, its realization depends on equitable distribution of gains by the trading partners. In this connection it is very doubtful whether the African countries can benefit fully from the results of the Uruguay Round on the offers made in relation to market access issues. There is a need for a clear recognition of the specific character of agriculture beset by a multiplicity of complex structural constraints in African countries and the importance of agricultural production and trade in their development and trade. The current trend of negotiations on agriculture will, among other things, lead to higher import costs for net food importing African countries. For most of African participating countries, financing the import of more expensive food leads to a further worsening of the balance-of-payments because of their relatively meagre opportunities to expand export revenues, including the cruel dilemma of having to choose peasant food production on the one hand and peasant production of export crops on the other.

4. African participating countries attach importance to the rules of origin securing their development interests. Our problem with respect to the offers on products of interest to us is not only that it will erode significantly our existing preferences and hence undermine our export potential: rather, it is that Africa is the only regional group of developing countries unlikely to benefit. The proposal on selective approach in safeguards is also designed to curtail exports from potential African exporters. The criteria for processing textiles and clothing is restrictive for healthy development in trade.

5. Rule-making in the critical areas can only be meaningful as long as the rules are strictly observed and procedures properly followed, under conditions of complete transparency. Negotiations under Rule-making issues should not disturb the balance of rights and obligations under the GATT.

6. Yet, negotiations in the new areas also indicate that African countries might not expect to gain. The Draft Multilateral Framework for Trade in Services differs substantially from the Punta del Este mandate. Respect for national policy objectives and the objective of development of developing countries are to be subordinated to the rules and disciplines of a General Agreement for Trade in Services (GATS) contrary to the proposal made by developing countries, including a number of African countries, based on the Punta del Este Declaration. One of the primary objectives of the text should be to help African countries address their fundamental weaknesses in the production and consumption of services which are essential to their overall development process. In this connection, any framework supportive of development would need provisions that take account of the difficulties African countries face in undertaking obligations in the new areas. These provisions should also strengthen the link between liberalization and development. African participating countries stress the need that development provisions should be an integral part of the agreement itself in accordance with the mandate.

7. In relation to trade-related intellectual property issues the need for developmental and public interest, the right of African countries to attune intellectual property systems through national legislation to suit their developmental needs and facilitate access to technology should be taken fully into account.

8. For Africa, investment measures are legitimate instruments when employed by governments in the broader context of development policy as well as for the attainment of social and economic policy objectives. African participating countries attach importance to the attraction of foreign direct investment (FDI), as well as to the elimination of anticompetitive business practices (RBPs) followed by transnational corporations.

9. Institutional arrangements should not lead to cross conditionalities and should not be designed to link new issues (TRIPs, TRIMs and services) to trade in goods to the detriment of development of African countries.

10. Some of the main objectives of the negotiations are the attainment of further liberalization and expansion of world trade, and the strengthening and improvement of the international trading system. There is also reference to increasing the responsiveness of the GATT system to the changing economic environment, and to fostering co-operation in order to strengthen the interrelationship between trade, monetary and financial policies affecting growth and development, and, to quote specifically from the Punta del Este Declaration, "to contribute towards continued, effective and determined efforts to improve the functioning of the international monetary system and the flow of financial and real investment resources to developing countries". In this connection, African participating countries believe that contracting parties' rights and obligations under the existing GATT should not be disturbed and that no linkages should be established between new agreements or arrangements and GATT.

11. It would be misleading if the credibility of the Uruguay Round were to be equated with the degree of success it reaches in accommodating the interests only of the major trade partners. The challenge of accommodating the interests of all countries implies finding how best to address and accommodate the concerns of African countries. In this connection, the outcome of the Uruguay Round could have far reaching implications in the trade and development of African countries. African participating countries would be responsive to such implications if their particular concerns expressed in the various statements and submissions individually and as a group are taken into account. We reiterate our concern that the final outcome of the Uruguay Round should comply with the mandate contained in the Punta del Este Declaration and the long term development needs of African countries.