

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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STATEMENT BY EGYPT

Geneva, 25 July 1990

The following statement is being circulated to members of the Committee at the request of the delegation of Egypt.

It is a pleasure for me to address the TNC at this juncture. The critical and crucial final phase of the most ambitious and diversified multilateral round of trade negotiations has already started. Less than 130 days are ahead of us before our Ministers meet in Brussels, and still much needs to be done in order to make that meeting a success.

The relevant question which we, representatives of participating developing countries, continue to ask ourselves is the following: when shall the long-awaited political will that is essential for the real success of this Round materialize in order to guide our work and ensure that none of us would be unduly frustrated at the end of the Round?

I wish to associate my delegation with the statement delivered by the distinguished representative of Tanzania in the name of the African participating countries. In this statement, as well as in those delivered in the name of the SELA Group, the ASEAN Countries and individual developing countries, it was rightly stated that the final analysis of today's situation, based on the actual trends of the negotiations and the profiles of the agreements before us, demonstrates that some of the developing countries might not gain much of this Round, while others are likely to be net losers.

Egypt, like many other developing countries, participates in the Uruguay Round with the objective of strengthening the international trading system and incorporating the development dimension into that system. When the Punta del Este Declaration was drafted, these objectives were reflected in Sections B and D which deal with various negotiating issues as well as in Part II of the Declaration.

In the Mid-Term Review, Egypt, together with other developing countries, resisted the trends to expand or modify the negotiating mandate. During the past 14 months, Egypt, along with other African and developing

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countries, submitted proposals to the various negotiating groups with a view to contributing to the success of the negotiations. But despite all these efforts, we regrettably realize that the developing countries' objectives are not adequately taken into account especially when we consider the profiles of different agreements before us now.

In the area of access to markets, where priorities for developing countries lie, there seems to be no real progress compared to that in other issues, particularly new issues. For Egypt, textiles and clothing, agriculture as well as tropical products are among the most important issues. Regrettably, our concerns are not adequately reflected in the draft texts, and the trends of the negotiations do not seem to permit any hope that when final drafting begins, there will still be room for further improvements in these areas that would take into consideration the concerns of the developing countries.

In tariffs, Egypt submitted a reasonable offer list which comprises a 30 per cent tariff reduction across the board since June 1989 in addition to a 50 per cent voluntary tariff reduction applied since August 1986. Egypt shall be seeking recognition for such reduction. It should be emphasized that due to great difficulties we are unable to accept further concessions especially that our imports rose to US\$10.5 billion while our exports decreased to US\$2.5 billion last year.

In textiles, our position is that at the end of the Round, we should have formulated the right modalities that would permit the integration of this important sector into GATT. The concrete proposal by ITCB members remains, in our view, the corner-stone for such modalities. We therefore find it extremely difficult to accept the proposals of importers, mainly the proposal based on global quota approach which in itself is inconsistent with the negotiating mandate. We find it also difficult to accept notions of parallelism or verification which tie improvement in textiles to at least half a dozen areas in GATT.

In agriculture, it is estimated that Egypt may encounter losses of up to US\$1.2 billion from the proposed reform. Our case as a net-food importing developing country, which means as a possible net loser, has been acknowledged by participants especially in helping to alleviate the impact of price-increase. Unless operational terms of such acknowledgement are agreed to, it would be difficult for us to make concessions in other areas of the negotiations.

As far as the area of rule making issues is concerned, the negotiations are actually concentrating on limiting the existing rights of developing countries under the GATT. This has been the case with balance-of-payment provisions. As regards safeguards, anti-dumping and subsidies, our positions concerning these issues have been tabled since the early stages of the negotiations. Without reflecting developing countries' interest, this will definitely have negative impacts on the development

process in developing countries. We believe that contracting parties' rights and obligations under the existing GATT should not be disturbed and that no linkage should be established between new agreements or arrangements and GATT.

There is a general impression, among developing countries, that the Uruguay Round was launched exclusively to negotiate the new issues. We, therefore, reiterate that the development dimension must be an integral part of any agreement in the new areas, that economic and social needs of developing countries and their national policy objectives must be duly respected. Flexibility in adopting development policies, access to new technologies, attraction of foreign direct investments should be clearly and meaningfully reflected in the provision of any arrangement or agreement dealing with the new issues. Such arrangements, in our view, should help increase the participation of developing countries in those areas.

Institutional issues should not by any means lead to cross linkage between trade policy on the one hand and fiscal and financial policy on the other. The implementation of the results of the Uruguay Round, including proposals for the establishment of a new organization should be dealt with during the final Ministerial meeting as stated in the last paragraph of the Punta del Este Declaration; and, as appropriate, with other organs of the United Nations system. However, the position of Egypt is that ITO, MTO or WTO should not be used to establish linkage between new issues and trade in goods.

According to the chairmen's introductory letters to the profiles as well as the various statements we have listened to since Monday, it is appropriate to state that the legal status of the profiles and draft texts before us has to be carefully defined before the end of the TNC meeting. We also think that we need to work out the appropriate modalities for the future work. I wish to stress the need to ensure, before the formal completion of the Round, adequate time for joint assessment of the results which, we expect, should be a balanced package that reflects the interests of all participants according to the objectives of the Punta del Este Declaration.

Egypt remains ready to continue to participate actively in the final phase of the negotiations. Our objective should be the achievement of a balanced outcome that covers the interests of all participating countries, developed and developing.

And this brings me back to the remark I made earlier in this statement about the pressing need for the political will of all participants so that we can strive together to strengthen the international trading system and the multilateralism for the benefit of the international economic and trade cooperation on a sound and equitable basis. There seems to be no other alternative than cooperating together to accommodate each other if we are genuinely serious about realizing the objectives of the Round. A lot is still ahead of us.