

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(90)/ST/43
4 December 1990
Special Distribution

Original: French

Trade Negotiations Committee

Meeting at Ministerial Level
Brussels, December 1990

TUNISIA

Statement by Mr. M. Mouldi Zcuaoui,
Secretary of State for Industry and Trade

On behalf of the Tunisian delegation, allow me, Sir, to extend our congratulations on your accession to the chairmanship of the Multilateral Trade Negotiations. The vigour and skill with which your compatriots and predecessors have guided our work are, for us, a token of success.

The fact that we are gathered at such a traditional meeting-place as Brussels is also a good omen for our meeting. I should like to pay a special tribute to the Belgian authorities for the warm welcome we have received and for the facilities they have kindly placed at our disposal to expedite our work and ensure the success of our meeting.

While the dependence of all countries on international trade as a source and factor of growth and development is becoming ever greater, for some years now the expansion of that trade continues to benefit only a few rare countries.

The exports of developing countries still encounter numerous obstacles owing to protectionist practices by certain countries which say that they are in favour of free trade. Those obstacles threaten to undermine the adjustment efforts which most developing countries are making at the cost of great sacrifices, particularly at the social level, to integrate their economy into the world economy. For example, my country, like many other developing countries, substantially reduced the rates of its customs duties and dismantled most of its non-tariff measures before entering into negotiations for its accession to the General Agreement on Tariffs and Trade. At the beginning of the year, those negotiations ended with the accession of Tunisia to the GATT.

Tunisia's accession testifies to its faith in the multilateral trading system as embodied in the GATT. That system has indeed shown its abilities to adapt to the evolution of the world economy, so that GATT's motto ought to be the constant search for solutions which take into account the interests of all in a fairer and more equitable environment.

When the new Round of multilateral trade negotiations, the Uruguay Round, was launched by the adoption of the Ministerial Declaration of Punta del Este, the developing countries welcomed that event in the hope that this Round, which is by far the most ambitious and the most complex

GATT SECRETARIAT

UR-90-0788

ever organized by GATT, would decisively help to stop the wave of protectionism, reverse the trend towards the establishment of "managed" and "compartmentalized" international trade, and integrate the developing countries into a multilateral trading system adapted today's realities and to the specifics of our economies.

The adoption of "standstill" and "rollback" commitments raised the hopes of the entire international community, but the results recorded in those areas are far from justifying those hopes.

Inclusion of the textiles and clothing sector within the framework of the General Agreement on Tariffs and Trade by finally dismantling the mechanisms established by the Multifibre Agreement (MFA) - which is one of the principal grievances of the developing countries - is still not receiving the attention necessary to materialize a time-table enabling all concerned to protect their essential interests in this sector, so vital to a number of economies including that of my country.

Forty years after the birth of the GATT, it is legitimate to work for bringing agriculture, a sector vital to all of us, under the General Agreement. The Declaration of Punta del Este stresses the need for granting developing countries preferential treatment. In our view, such treatment should take into account the special situation of countries that are net importers of agricultural products.

The progressivity of the customs duties of developed countries which increase their tariffs depending on the degree of preparation and processing of the natural or primary product in the exporting countries, constitutes a serious handicap for the industrialization of developing countries and a major obstacle to promotion of their exports.

We consider that our economic adjustment measures and the concessions that we granted on acceding are a contribution to the liberalization process under way in the context of the present round of multilateral trade negotiations.

The sole objective of revising the articles of the General Agreement must be to update them and fill in any gaps. Such an exercise would be to no avail if it upset the balance of rights and obligations of all parties or disregarded the need to ensure differential and more favourable treatment for developing countries.

The far-reaching and rapid changes in production structures and telecommunications have made services one of the most dynamic sectors in the economies of many countries. It would be in no-one's interest for services to continue to be ignored or left out. All participants are to be commended for their efforts to establish a framework agreement on services in the context of the the Uruguay Round. However, the Punta del Este Declaration requires the framework agreement to be consistent with development objectives. The Declaration states clearly that it is essential for liberalization in this sector to be progressive. It might well be asked in this context, whether the time has now come for sectoral negotiations.

Regional economic integration is one of the essential facts of international economic realities today and in our view is a means of promoting trade and accelerating development, as it facilitates economic changes which individual countries would find difficult to make alone. The five countries of the Maghreb are accordingly engaged in a process that should culminate in the creation of a Maghreb economic community.

The creation of an International Trade Organization is a major issue that deserves to be examined carefully. The study requested by ECOSOC from the United Nations Secretary-General will enable the international community to hold a free, frank and useful dialogue on the future of the institutions concerned with international trade. Two of the main issues that would be discussed require close attention: full participation by developing countries in a trading system that respects their level of development; and the link between the various economic sectors resulting from their growing interdependence.

Allow me to quote one of the most pertinent sentences of the statement made to the Trade Negotiations Committee last July by Mr. Arthur Dunkel to whom I should like to pay a tribute for his outstanding efforts as Director-General of GATT and Chairman of the Trade Negotiations Committee at official level, I quote: "None of us can afford the disruption in the flow of goods, services and investment that failure would entail". End of quotation.

We all recognize that it is essential for the Uruguay Round to succeed. Positive and well-balanced results that take all our interests into consideration are the only way to ensure rapid expansion of international trade, and would be conducive to maintaining and strengthening an open and stable international trading system that takes account, in particular, of the requirements of development.

There must also be stability in the financial system. As Mr. Jacques Delors, Mr. Antoine Blanca, Mr. Wilfried Martens and Mr. Robert Urbain, amongst others, have reminded us, it is crucial that the problem of indebtedness be settled promptly and satisfactorily through the re-establishment of financial flows to developing countries and improved harmonization of commercial and financial policies.

Rest assured that my delegation will make every effort to ensure that the negotiations are successful.