

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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JAMAICA

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During the past two decades the crucial contribution made by external trade to the efficient allocation of resources, to the enhancement of domestic productivity, and to growth and development has been demonstrated not only in the industrialized States but in a significant number of developing countries. At the level of the world economy as a whole, the decade which has just ended has been marked by output expansion led by trade growth.

It is also true however that, for reasons that are well known, the trade performance of many developing countries has been unsatisfactory. These reasons include the intensification of protectionist pressures in the industrialized world, although their trade and output performance was improving from the contraction that had occurred in the latter years of the 1970s, as well as the debilitating effects of the debt burden exacerbated in some cases by unduly accelerated adjustment programmes imposed by multilateral lending institutions.

No-one can doubt therefore that the developing countries have a profound interest in the emergence of a worldwide trading régime that is, firstly, open and predictable. Secondly, that gives the maximum access for the products of all countries to the markets of the industrialized countries but which also recognizes that developing countries have a special need to protect their fledgling industries and need also to have the time and the flexibility to enhance their productivity and develop their capability to participate actively in the knowledge-based service sector. It is not surprising therefore that developing countries have been playing an active rôle in these negotiations and are insistent that any agreement which emerges must take their requirements fully into account. In the case of my own country, Jamaica, external trade as a percentage of Gross Domestic Product is in excess of 80 per cent. The corresponding figure for the world's largest trading nation, the United States, is less than 16 per cent. That is why within the limits of our resources we have participated actively in these deliberations over the past four years.

As a member of both the Latin American and Caribbean Group (SELA) and the ACP Group within the Lomé Convention, we fully support and endorse the positions taken by these groups in the documents tabled by them in this climatic negotiating session.

Out of the range of issues covered in these documents I will in these brief remarks select three for special mention. It is not surprising that the agricultural sector has proved so intractable in these negotiations. In virtually all countries, agriculture has a dimension that goes beyond strict economic considerations. It has an important rôle to play in the area of social balance, political stability and basic national security. Moreover the nature of the problem in this sector differs significantly as between many developed and developing countries. In the former there is the problem of over-production and the consequential need to reduce subsidies and tariff protection. In the latter the problem is more often under-production and lack of appropriate technology to achieve competitive price and quality. This indicates a need for an approach that requires, at least for a limited time, protected markets and special assistance. For ACP countries the Lomé Convention provides a window of viability for a number of critical agricultural products. We could not accept any significant erosion of this position which is in fact guaranteed by our Treaty with the EEC.

The second issue I would mention relates to textiles. For Jamaica, the textile and clothing sector is of pivotal importance in taking our economy to a higher stage of industrial development. If our industry is to survive and grow the agreement on textiles must include provisions for special and differential treatment for small suppliers.

Small suppliers whose economies are heavily dependent on this sector require a long transition period during which we can strengthen our capacity to a point where we can effectively compete against larger suppliers who have had sufficient time and favourable conditions to establish mature industries.

Jamaica also submits that safeguard provisions must take account of the special nature of the outward processing trade, recognizing that this is essentially a service industry and as such is incapable of causing market disruption.

The third set of issues I would mention relate to the new areas - Trade Related Investment Measures, Trade Related Intellectual Property Rights and Services. Here the GATT is breaking new ground and the tool of choice should not be the sledge hammer. Many and varied interests are involved and the issues lack the familiarity of the traditional subjects which have been negotiated in the past. We must proceed with a realistic level of ambition. The developed countries cannot be expected to pursue at this late stage approaches that would merely serve to entrench their dominant market position or to dictate the nature and content of internal

policies while ignoring development concerns. In particular countries cannot be asked to renounce a priori the granting of incentives to promote particular modalities for externally funded investments where their own development strategies will require such promotion. Any such constraint must be limited to cases where a significant trade distortion can be clearly demonstrated.

In the final analysis the purpose of the exercise on which we are engaged is to create the conditions in which world trade will expand on a continuing and self-sustaining basis. This means by definition that the developing countries must be able to enjoy an increasing volume and eventually an increasing proportion of such expanded world trade. Any agreement which does not create an environment that is conducive to this result will have failed in its ultimate purpose.