

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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KENYA

Statement by H.E. Mr. Francis K. Muthaura,  
Ambassador in Brussels

On behalf of the Kenya delegation, I wish to express our satisfaction in seeing you as Chairman of this Ministerial Trade Negotiations Committee. I am confident that under your able guidance, we shall achieve important results at the end of this week's work.

I would also like to express our sincere appreciation to the Government of Belgium, the European Communities and the City of Brussels for the warm hospitality and excellent arrangements which will contribute substantially to assuring the success of this meeting.

May I also take this opportunity to express our gratitude to the Director-General of GATT and his staff for their tireless efforts in the service of these negotiations.

We are meeting at a critical time when the world is experiencing the easing of tension of the cold war between what was the East and the West. These developments should improve the prospects for genuine co-operation on global issues with a view to establishing a strong and open multilateral trading system that is responsive to the economic needs of all countries, particularly the developing countries.

During the last two decades, developing countries and particularly the less developed amongst them, have been subjected to unbearable hardships resulting out of the negative effects of the distorted world trading system.

The existing multilateral trading framework established in the late 1940s worked reasonably well up to the early 1970s. However, the system experienced serious constraints that made it necessary to launch the Uruguay Round in September 1986.

For a period of four years, we have been engaged in an arduous and complex process within the Uruguay Round of negotiations aimed at shaping the future of international trade. For us, the Round was a good opportunity to remove barriers that have for so long inhibited the scope of expansion of our international trade. The Uruguay Round also coincided with the increased liberalization of economies of developing countries and

their willingness to become more involved in the GATT activities, as demonstrated by their participation during the preparatory stage and in the negotiations.

Unfortunately, the multilateral commitments on standstill and rollback are being violated by some developed countries through the application of unilateral measures that are contrary to the letter and spirit of GATT. Bilateral and regional agreements with serious implications to international trade are being drawn up among the major developed countries and signed by them alone. The world international economic situation and its implication on world trade will never be the same again. The outcome of the Uruguay Round negotiations could have a positive impact on developing countries, particularly the African countries, if the objectives of the negotiations were to be fully achieved. However, the progress on the negotiations has disclosed that there are great difficulties that inhibit the fulfilment of the set of the declared objectives.

Even at this late stage, the results achieved so far in the Uruguay Round are insufficient to allow definite evaluation in accordance with the Punta del Este mandate. This is a cause for serious concern. We are concerned that after four years of negotiations and with three days to go, negotiators and indeed Ministers, are faced with the task, not of putting the finishing political touches to a package of agreements, but of resolving major substantive issues at the last minute. Indeed, in some important areas, we still have to establish a negotiating basis. This is cause for disappointment as we had hoped that the basic package of agreements covering all the areas of negotiations would have been made available to the Ministers for study before arriving in Brussels.

Let me address areas of special interest to my delegation.

#### Market access

This a crucial area in terms of our economic prospects and meaningful results in this area is pertinent in our final evaluation of a balanced outcome of the Round. However, the results achieved so far in this area fall far short of our expectation. The outcome of the negotiations need to take into account the commitments undertaken by Ministers at Punta del Este and at Montreal in its final results. At those meetings, priority and a set of objectives were accorded to market access in view of its importance for the developing countries.

Preliminary evaluation of the results of offers of tariff concessions on tropical products does indicate on an aggregate regional basis, that the African region is among the developing regions that would experience net losses. Liberalization on tropical products on an MFN basis implies an erosion of preferential margin for the ACP countries which are accorded preferential treatment under the Lome Convention and other arrangements. The chances of our countries benefiting from the trade creation effect of the tariff liberalization is also diminished on account of the trade diversion effect that would necessarily follow the liberalization process.

To correct the imbalance, positive trade benefits to African countries should be achieved through the following:

- improved offers better targeted to African exports;
- deeper cuts in tariff reduction applicable to less developed contracting parties, particularly African countries and GSP beneficiaries;
- adherence to the principle of non-reciprocity for African countries;
- compensatory measures outside the context of the Uruguay Round;
- offer by other developed countries to the ACP countries trade preferences similar to those offered under the Lome Convention during a transitional period.

Principle of differential and more favourable treatment to developing countries

On the principle of differential and more favourable treatment to developing countries, we are dismayed that this notion is challenged even though there are verifiable reasons to justify such treatment. Some of the countries are faced with impediments such as dependency on commodities whose prices are volatile and are their lowest level ever, heavy debt burden, deteriorating terms of trade and balance-of-payment problems in general.

These impediments have posed serious constraints to our development efforts in the last three decades. Consequently, we have insisted that the special and more favourable treatment be incorporated into the results of the Uruguay Round.

Agriculture

I would now like to turn to the negotiations in agriculture (sector). Kenya is largely dependent on agriculture and this reliance will continue for a long time. The agriculture sector not only supports a vast majority of our population but also plays the leading rôle in our growth and development. We, therefore, attach great importance to a successful outcome in this area. There are, however, important issues that need to be settled here in Brussels such as the level of obligations to be assumed by developing countries and flexibility to be accorded to them, particularly the provision of internal support measures.

Agriculture development is critical in the area of food security. Measures targeted to ensuring food security should, therefore, be taken into account and they should not be mistaken as barriers to trade. Development prospects in the agricultural sector in our countries will continue to require supportive measures for a long time.

TRIPs, TRIMs and services

In the new areas of TRIPs, TRIMs and services, we equally expect that development concerns and needs must be reflected fully. In services where developed countries enjoy dominant market position, much time and effort

has been devoted to shaping a framework that fits particular concerns and specific interests of major players. In the course of this meeting, we must work to ensure that a truly multilateral framework on services, with an appropriate balance, emerges from Brussels. The political deadlock on trade-related investment measures must be broken and we expect the compromise to come from those who seek to impose far-reaching disciplines on measures traditionally used by countries to promote their development and to propel structural changes. Agreement on TRIPs should allow necessary flexibility to enable developing countries to adopt measures aimed at the development and transfer of technology at affordable cost.

Developing countries have been subjected to unfair demands for reciprocity. However, I should like to point out that a satisfactory outcome must recognize that our governments can only commit themselves on things they can deliver through an orderly transformation of their policies. Whatever the outcome of the Uruguay Round, the results of the negotiations will require changes in national legislations and policies which invariably require considerable time to mature. We shall, therefore, need adequate time to implement the results in order to honour our obligations without jeopardizing our development and social considerations.

International trade cannot be considered in isolation from overall national development strategy. Since 1985, Kenya has implemented an adjustment programme with the objective to further liberalize the economy to make it more transparent, for instance, in the formulation of trade policy.

Similar programmes by other developing countries are contributing to the strengthening of the international trading system. This, coupled with our contribution in the Round, demonstrate our commitment to the multilateral trading system.

Since the launching of the Uruguay Round four years ago, the status of GATT has been boosted considerably and its contribution to the management of world trade will be strengthened by the agreement to be reached at the conclusion of the negotiations. It is our hope that the benefits to be derived from the anticipated liberalization of trade and related services will be widely spread to benefit the developing countries which have so far been marginalized from current unbalanced and distorted international trading system. Failure to correct this imbalance will put the lives of millions of people in the developing countries in a precarious state.

Time has come for the international community to reactivate efforts to establish a comprehensive international trade organization that will deal with the expanded trade issues and related services to the next century. The envisaged organization has to be responsive to the special needs of the less developed member countries.

Finally, I would like to say a few words about the concept of a "Single Undertaking" which appears in square brackets in the draft of the final act. When the mandate of the negotiations was being discussed at Punta del Este, there were problems arising out of the fact that negotiations were being extended to cover areas beyond the scope of GATT. Application of the undertakings reached in areas covered by TRIPs, TRIMs and services will require adequate time and flexibility to take effect in less developed countries such as Kenya.