

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

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Brussels, December 1990

EGYPT

Statement by H.E. Dr. Yousri Mostafa,
Minister of Economy and Foreign Trade

I would like first of all to express my gratitude to His Majesty King Baudouin for his gracious welcome and the people and the Government of Belgium for the generous hospitality in hosting this meeting. I bring from the people and Government of Egypt best wishes for the successful conclusion of the Round.

I would like to share with my previous speakers that our meeting here in Brussels marks a major event, and possibly a turning point in international co-operation.

It is designed to achieve certain agreements which will shape the new international trade relations, that will lead us to the next century. Thus we believe that our current negotiations are crucial.

The decisions that we reach will have a wide ranging impact on the world economy as a whole and in particular on the economies of developing countries.

Four years have already passed since our Punta del Este gathering which launched the most ambitious round in the history of GATT, the Uruguay Round.

Egypt has actively participated in the negotiations, guided by our deep rooted traditional conviction of abiding by international law, our firm belief in international co-operation, our hopes to achieve mutual benefits for all negotiation partners.

A stronger international system for us, the smaller trading nations, is a major guarantee for our trade interests.

At the middle of the Ministerial meeting, looking at the outcome from the Senior Official TNC meeting in Geneva, we have every reason to be concerned:

1. All the subject-matters under negotiation are still open. The gaps in the positions is quite large, and the amount of details to be finalized is enormous.

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2. The evaluation, as mandated by the Punta del Este Declaration, concerning the "Special and More Favourable Treatment" for developing countries, is becoming impossible.
3. We are deeply concerned about the shape of the final outcome, how would it look like, and what would it contain?

We are equally uncertain about the scope of the commitments we are expected to endorse.

Our candid reading of the Punta del Este Declaration indicates that the decisions on sectors of goods, services, TRIPs and TRIMs should remain separate.

Against this background, and throughout the Uruguay Round, Egypt has made enormous efforts that extend far beyond its limited means as a small trading country.

Such efforts have been intensive in Geneva and at home in government and business circles.

The technical and economic feed-back and support of such a broad audience over the past three years have been remarkable in supporting efforts for achieving the objectives of the Uruguay Round.

Such a process has resulted in the holding of two Cabinet sessions in Cairo over the past two weeks, to assess the potential results of the negotiations - despite the state of haziness in the horizon - to draw up a balance of interests and commitments which Egypt may stand to achieve.

I am pleased to inform you that this process in Cairo has resulted in supporting the need for successfully concluding the Uruguay Round in Brussels.

Turning to specifics, Egypt is still committed to the reform objective in agriculture, despite the serious difficulties we are facing in our balance of payments, that have been aggravated by the Gulf crisis.

However, during the transitional period we certainly need to see a mechanism to offset the negative effects. Egypt stands to suffer as the first seriously affected among net food-importing developing countries. Such mechanism should include provisions for food-aid, concessional sales and financial assistance to increase production and productivity.

On market access, Egypt has submitted an offer which has been improved during the negotiations including tariff cuts and bindings. Meanwhile, since the launching of the Round in 1986, our trade system has been moving towards substantial liberalization.

As for services, Egypt is ready to join a comprehensive multilateral agreement on trade in services that recognizes the development needs for developing countries and includes vital sectors such as labour mobility.

We are also ready to consider initial commitments. In this context, the Egyptian offer could include some financial activities, tourism and possibly other sectors.

Any last minute compromise on new areas such as TRIPs, TRIMs, services, that does not take fully into consideration the development process and the harmful impact on developing economies, especially in the level of commitments, the scope of coverage, adequate flexibility and the length of transitional periods, would represent a step backward not only from the Uruguay Round objectives but also from the multilateral system's commitments to integrate the developing countries and secure their economic recovery, growth and wealth.

Without achieving clear and specific benefits in areas like textiles, agriculture and tropical products, there would be no balanced outcome of this Round.

The proposals for the establishment of a new trade organization should be dealt with at the appropriate time, in co-operation with other organizations of the United Nations' system, and should incorporate sectors of interests for developing countries which remained neglected.

The determination of Egypt to achieve all these objectives and meet all challenges, have gained recognition by the leading financial and monetary institutions. However, our eagerness to contribute to the reinforcement of the multilateral trading system, and to achieve a better performance for our small trading share, are now compelling for solving our serious debt and balance-of-payments problems.

As a developing nation, Egypt upholds the development considerations and differential treatment reserved in the Punta del Este Declaration for the developing countries. Moreover as a small trading nation, Egypt expects more favourable considerations for countries with limited capacity for trade, diversification and marginal competitiveness ability.

At the regional and national levels, Egypt is facing unprecedented challenges and pressures, which we are handling with courage and determination.

While problems of our economic growth, balance of payments and unemployment are steadily rising, we have chosen to make serious efforts for structural adjustment, and economic reform. This has been clear in areas such as foreign exchange, pricing, trade liberalization, privatization and environment.

This is done within democracy and sustained support for peace, stability and legitimacy.

We are committed to continue to undertake our national, regional and international efforts, and hope that this difficult, but ambitious Round will bring fruits to the efforts and resources we have invested in it, hopefully, during this session.