

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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KUWAIT

Statement by H.E. Mr. Ahmad A. Al-Ebrahim,
Ambassador in Brussels

It gives me considerable pleasure to address this Ministerial meeting convened to conclude the Uruguay Round Multilateral Trade Negotiations. The Ministerial meeting here in Brussels is a historical occasion. It is the culmination of four years of negotiating efforts among more than one hundred trading partners. It is also the birth of a new era in trade relations among GATT CONTRACTING PARTIES. My delegation associates itself with the position of the developing countries and their joint statement.

My country acceded to the General Agreement and became a GATT contracting party on 3 May 1963 when the total membership of GATT was only forty-eight, less than half of its present membership. As a contracting party, Kuwait participated in the two Multilateral Negotiating Rounds, the Kennedy Round and the Tokyo Round and witnessed the evolution of GATT since the introduction in 1965 of Part IV on trade and developing countries as well as the decisions of 1979 resulting from the Tokyo Round Trade Negotiations.

Throughout the years Kuwait as a contracting party, accepted and implemented in good faith the rules of GATT, enjoyed the rights and discharged the obligations of the international trading system embodied in the General Agreement and contributed regularly to the GATT budget. Kuwait and the other members of the Gulf Co-operation Council adopted a liberal trade policy with a very low tariff level (more or less 5 per cent on average) and almost none of the non-tariff measures. During the last three years Kuwait's yearly trade was about US\$14 billion on average. Its imports during this period were more than US\$6 billion per year with per capita imports among the highest in the world (about US\$3,000).

We are witnessing in the 1990s historical events; an end to the Cold War and the fall of the Berlin Wall; it is another step towards the new international political order but, at the same time, we are witnessing, in our region, another menace threatening the world stability and endangering our civilization. The new international economical order that we are seeking, cannot be achieved without political stability and as we know, politics and economics are very much linked to each other.

So while participating faithfully and actively in the progress of negotiations in the Uruguay Round, my country was suddenly faced by the aggression of a non-contracting party. On 2 August 1990 while we innocently believed that Iraq was entering a peaceful negotiation - as promised by many Heads of State - instead we faced a brutal and naked aggression which attempts to eliminate Kuwait from the world map, hence violating all forms of international laws and against all Arab and Islamic traditions.

No country in our recent history has ever faced what we have faced such as looting on a mass scale, rapes, massacres of innocent people of all ages, massive arrests and detentions without any reason; now we have over twenty thousand Kuwaitis deported and imprisoned in Iraq including seven thousand Kuwaiti people held as human shields in Iraqi sites. Our economy has been totally dismantled and our population has been subject to all kinds of barbaric acts, including deportation by force.

The unthinkable in our contemporary history is happening in Kuwait, mainly the obliteration of the Kuwaiti identity by the Iraqi régime which has started to be implemented on 1 December and stating that Kuwait Nationals will not be allowed to use whatever means left (such as food, medicines etc.) if they do not carry Iraqi identity, which prompted many Kuwaiti families to leave Kuwait. Furthermore, there is a large migration of Iraqi families towards Kuwait, among them 3,000 Kurds occupying the coastal area of Kuwait. All these measures are contradictory to Article 49 of the Geneva Convention.

Our patience and that of the international community is depleted, which has been interpreted in Security Council Resolution No. 678 explicitly showing that the international community is serious, and aggression cannot be rewarded.

The economic effects on the world community as a result of the Gulf crisis cannot be measured accurately now, to give a few examples - as stated by prominent economists in our region - my country so far has lost more than US\$50 billion. On one side Jordan is facing a serious economic problem, its GNP is witnessing a decrease of 50 per cent and unemployment has risen by 40 per cent. In comparison, what happened to Jordan during the depression era of 1929-1930. The losses that occurred to the Palestinians residing in Kuwait have exceeded US\$4 billion. On the other side, Egypt lost approximately around US\$7 billion plus, and the problem of rehabilitation of hundreds of thousands of Egyptian workers returning from Baghdad and Kuwait. Let alone the losses of expatriates living and working in Kuwait. Most of all as a result of this aggression, the rise in oil prices which have doubled, leaving devastating effects on the world's economies and perhaps this will be a cause of recession in some countries and in turn it will have serious consequences on world trade.

Even the Gulf crisis stays in our heart and mind, but we have a duty to reach a successful conclusion in this historical meeting here in the beautiful city of Brussels, aiming to safeguard and improve the world trading system based on the principles and rules of GATT.

It is now a little early to evaluate the results of the Uruguay Round. It may be possible however to indicate that concerning the outcome, two main approaches can be mentioned, i.e. access to market and rule-making or improving the existing GATT rules. With regard to the first, market access progress has been made but only modest and not meeting expectations particularly of developing countries. For the second approach, i.e. the new areas of negotiations and improving the existing rules, the general feeling is that the new rules may not be taking into account the interest of the less-developed contracting parties and their development, financial and trade needs.

Moving from the general to the particular, my delegation may be permitted to add a comment of special relevance to the present circumstances. I refer to the GATT Dispute Settlement System. Apart from its activities in reducing tariff and non-tariff barriers, GATT is probably best known publicly for its activities relating to international trade disputes. The Dispute Settlement System of GATT serves both to resolve disputes once they occur and - perhaps more importantly - as a pressure on governments to live up to their legal obligation as GATT Members.

The GATT Dispute Settlement System is enshrined in Articles XXII and XXIII of the General Agreement. These Articles lay heavy emphasis on bilateral contacts and consultations. When disputes cannot be resolved bilaterally, the GATT Panel System can be employed as a final resort. GATT Members have resorted to these provisions and have been able to settle many of their disputes and to avoid trade wars.

The Tokyo Round resulted in the adoption of a decision amplifying the existing GATT provisions. Further improvements of the dispute settlement procedures have been introduced during the Uruguay Round. However, it may be generally felt that it is in the interest of contracting parties, particularly the developing countries that the GATT Dispute Settlement System be further strengthened and respected by all contracting parties.

In spite of this call for reform and the hope for further improvements in the System, my delegation would like to make a more general but relevant observation. In a large number of dispute cases, the System has dealt with it successfully. Pressures stemming from the need of GATT Members for credibility within the multilateral system has proved to be the most effective means of bringing about effective settlements and discipline.

Finally in the GATT and elsewhere in the world fora, the totality of the world community should stand solid and strong against any violation of countries' sovereignty as well as the rights of its citizens, by any State member of the international community.

If we leave the situation in the Gulf as it is now, then the world of tomorrow is in doubt. It is better to pay a small price today rather than a higher price tomorrow to preserve peace and international order; and in conclusion, as a wise man said "justice delayed better than justice denied".