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CUBA

Statement by H.E. Mr. Alberto Betancourt Roa,
Deputy Minister of Foreign Trade

I should like to begin by thanking the Belgian authorities both on behalf of the Cuban delegation and personally for their meticulous organization of this meeting and for enabling us to enjoy the hospitality of the Belgian people. Belgium, despite its distance from Cuba, has always been a major trading partner for us and an important centre for our relations with the European Economic Community.

I should also like to express our appreciation of the work done by the Chairmen of all the Negotiating Groups and to extend particular thanks to Mr. Arthur Dunkel.

I feel bound to comment on certain salient features of international trade and economic relations during the past few years which have provided the background to the Uruguay Round negotiations and on which will depend the scope and effect of the results of the Round and the solution of the real problems faced by the developing countries.

It is no secret that, for developing countries, the 1980s were a lost decade in terms of economic growth. The developed countries managed to control the latent crisis affecting their economies, but the measures they took exacerbated the various aspects of the crisis that developing countries were facing in their external relations. The developing countries therefore became even more engulfed by the crisis and at the same time experienced the backlash of the main difficulties experienced by the developed economies. For instance, between 1985 and 1989, the developing countries' share in world trade dropped from 24 to 20 per cent. Taking a more specific example, the share of the Latin American and Caribbean countries in world trade was 12 per cent in 1950, 6 per cent in 1970 and last year stood at only 3.6 per cent. Their share in commodities trade dropped from 13.5 to 10.7 per cent, while during the same period that of the developed countries increased from 58 to 66 per cent.

Commodity prices, excluding petroleum, have maintained a downward trend and it is anticipated that this year they will decline by 5 per cent compared with 1989. Between 1980 and 1988, the prices of developing countries' commodity exports other than petroleum fell by 40 per cent in real terms. The terms of trade have steadily deteriorated - a good example being the fact that in 1959 the proceeds from the sale of 24 tonnes of sugar could buy a 60 h.p. tractor, whereas in 1987 the same tractor

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required the sale of 133 tonnes. In 1959, too, a 7 or 8 tonne truck could be bought with the proceeds from the sale of 6 tonnes of jute fibre, whereas in 1987, 54 tonnes were required. Again in 1959, the proceeds from the sale of 1 tonne of copper wire could buy 39 X-Ray tubes for medical use but in 1987 could not buy a single tube.

The rapid and prodigious progress of science and technology during the last few years should have benefited mankind, but in fact have made the situation worse. The gap between developed and developing countries in standards of living and production levels is deepening and widening in an alarming manner, and the trend could well become irreversible, leaving the greater part of mankind in a state of unprecedented economic backwardness and dependence.

The question of external indebtedness deserves an entire statement to itself. Between 1982 and 1990 the transfer of financial resources by Latin America for debt servicing reached almost US\$300 billion, which is tantamount to transferring abroad an average of 4.1 per cent of the GDP annually. The debt burden continues to grow. With its voracious appetite it has already devoured the social programmes of most of our countries and is threatening to swallow up completely what is left of our standards of living, including those of the middle classes, and our possibilities of growth are no longer even a subject of concern, because they simply do not exist. The external debt of the developing countries cannot be repaid; it cannot technically be repaid or technically recovered. What is more, it has already been more than repaid and more than recovered more than once. I am not indulging in rhetoric and ringing phrases. What I am talking about is an economic and social reality that is also threatening the political life of our societies. The developed countries have, generally speaking, been unable to tackle this issue in the realistic and constructive spirit required, although admittedly some of them have adopted a more positive attitude. A minimal show of solidarity is not enough, for debt forgiveness is the only viable way to reactivate the economies of developing countries, stimulate the expansion of international trade and avert economic, social and political problems that will inevitably lead to a crisis of unforeseeable proportions.

Meanwhile, certain economic policies are held up to us as examples and we are invited to follow them. No one asks whether these policies are indeed a form of economic development. No one even attempts to determine to what extent they have brought about the "transnationalization" of the economies that have applied them. The point is that the problems in question are structural in nature, most of them caused by unjust international economic relations, which is why infinitely more countries than those held up as good examples are in fact affected. This goes to show that methods and policies applied in one or two cases on a given scale cannot solve the structural problems of all developing countries or eliminate the inequalities, unfairness and injustice of the present international economic order.

At the same time, there has been a strong tendency during the past few years for the main industrialized countries to impose on the developing countries, in a variety of ways, the economic model they consider to be the most suitable. Thus, they totally reject the rôle of the State in the management of economic affairs and demand the privatization of activities and sectors which not even they themselves have removed from the public sector. They extol the virtues of the market economy, demand that we open our markets wide and even pass judgement on the efficiency of our Governments as administrators.

The Government and people of Cuba, which for more than thirty years have been engaged in a titanic endeavour to promote their economic and social development and have consistently promoted the broadest possible economic, political and cultural relations with all countries in the world and with all economic and political systems, will never forego their sovereign right to decide upon their own policies freely and without foreign interference. We cannot accept attempts to impose a particular model, wherever it may come from. We have chosen our own system because our people consider it to be a more progressive one, conducive to social justice, the optimum use of economic resources and more rapid national development. And we have indeed made progress along these lines, not only in education and public health, for which we generally receive credit. We have also made extraordinary progress in science, in increasing our production of sugar and other products, and in the mechanization and industrialization of the country. On the other hand, we are facing the same external problems as all other underdeveloped countries. We do perhaps have the advantage of a greater capacity to mobilize the nation in order to tackle these problems, and we are fully confident that our people will cope with them successfully.

You are all aware that the hostile policy of one contracting party, the Government of the United States, towards Cuba, another contracting party, has been intensified. And as if the economic blockade that it has maintained since 1962 were not enough, it is now threatening to take further steps to hamper our economic and trade relations with third countries. I leave it up to you judge the credibility of that country's appeals for the greater liberalization of trade, the elimination of discriminatory policies and respect for the GATT rules.

I should like now to turn to the current status of our work and the possible results of this Uruguay Round.

After four years of complex and arduous negotiations, we have to note that the results of the process are not commensurate with the considerable efforts we made to reach balanced decisions that genuinely liberalize trade.

My country has made a positive contribution to the process and, among other things, submitted an offer in the Negotiating Group on Tariffs, which included tropical products, comprising considerable tariff reductions and bindings.

As a developing country, Cuba hopes that its gesture and goodwill will be taken into consideration and that broad and genuine commitments will be made by the industrial countries and our trading partners to liberalize products which are of interest to us.

I have to say in all honesty that this has not yet occurred. On the contrary, in the market access areas that are the most important to my country, results have been scant with regard to product coverage and tariff reductions on items already in the schedules. As an exporter of tropical products, Cuba hopes that there will be advance implementation of offers on the part of the main developed countries, in accordance with the Punta del Este Declaration.

With regard to negotiations on non-tariff measures, we note that the requests submitted by developing countries have received little consideration and therefore conclude that there is no desire to improve market access conditions for our products. Any efforts we make in the area of tariffs would be fruitless without rollback of non-tariff measures.

One area to which Cuba has paid particular attention is trade in agriculture, a critical aspect of the Uruguay Round where there is no real sign of results. Export subsidies must be reduced substantially, since they constitute an unfair practice which for a long time has depressed the prices of commodities including sugar, the mainstay of Cuba's exports.

With regard to textiles and clothing, the negotiations should lead to a commitment to include this sector in the General Agreement as soon as possible and to ensure that the interests of small suppliers are taken into account.

With regard to GATT Articles, the negotiations have not proceeded in the manner specified in Punta del Este, as a number of proposals by the main participants tend to weaken the multilateral trading system. Cuba regrets, among other things, that in the area of safeguards no agreement has been reached owing to insistence that one of the elements included should be selectivity, in disregard of the principle of the most-favoured-nation principle, which is the cornerstone of the General Agreement.

As for dispute settlement, Cuba hopes that it will be possible to conclude negotiations on the subject and to finalize details on which there are still differences of view, for strengthened dispute-settlement procedures will provide developing countries with guarantees in the multilateral trading system.

Cuba had reservations from the very beginning about including the so-called new areas in the Uruguay Round negotiations. However, in the various negotiating groups we have always, together with the other developing countries, maintained a positive attitude to this question. I must point out that, for our countries, one prerequisite is that the development objective should be apparent in each and every one of the results that may be achieved in respect of these so-called new areas.

With regard to trade-related investment measures, we do not agree with the prohibition per se of such measures, as this step would, among other things, limit developing countries' capacity to adjust investments to their national development priorities and run counter to the principle that any investment policy is the result of a sovereign decision of the country concerned.

Trade-related aspects of intellectual property rights, including trade in counterfeit goods, is an area to which Cuba attaches great importance. We consider that any agreement reached must take account, inter alia, of access to technology in appropriate conditions, respect for national legal systems, national development policies and the public interest. In addition, it must be limited to trade-related aspects alone. The implementation of any agreement should be the responsibility of the organization competent in the field in question.

With respect to services, any framework agreement must spell out clearly that the principles of the most-favoured-nation and universal coverage apply unconditionally and automatically. As regards initial commitments, we feel that until we have an approved framework agreement that defines their scope and consequences, the minimum conditions needed to negotiate them will not have been satisfied, assuming that we really aspire to agreements that contribute to the liberalization of trade in these areas.

Finally, with regard to institutional issues in the Uruguay Round, we wish to point out that the idea of a future international trade organization can be considered only after a formal and wide-ranging discussion of all the elements that the establishment of such an organization would have to include, such as universality, its possible objectives as set out in the Havana Charter and its place in and contribution to the United Nations system. So far there has been no such debate.

I wish to add that only if significant results are achieved that take due account of differential and more favourable treatment for developing countries would we be able to accept the final package. Furthermore, such a package could not be accepted as the sole result, since special and differential treatment is provided for only in the area of goods and is not covered by our negotiations on the new areas, which would have to be accepted separately. Only a special session of the CONTRACTING PARTIES meeting at ministerial level, in accordance with the Punta del Este Declaration, can decide this issue.