

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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MAURITIUS

Statement by The Hon. Anil Kumar Bachoo
Minister of Trade and Shipping

I should like to associate myself with the previous speakers to express our deep gratitude to His Majesty the King, the Government and the people of Morocco for their warm welcome and hospitality. The impressive organization they have put up bears testimony to their seriousness of purpose.

The Marrakesh Conference constitutes a landmark in the political and economic history of mankind as it puts the seal of success on seven years of laborious negotiations culminating in the establishment of a new international trading system. There is no doubt that this multilateral trade framework will have a very significant impact not only on the world economy but also in our daily lives as politicians, entrepreneurs, workers, traders, consumers or investors.

The conclusion of the Uruguay Round negotiations is expected to usher in a new era of international exchange of goods and services as it will open markets across the world and, thus, stimulate sustainable growth in both the developed and the developing economies alike.

However, there is an understandable apprehension among the developing countries that the major benefits of this reformed trading system may favour developed countries which have the necessary infrastructure, a vast reserve of skilled manpower and technology that can adapt easily to the changing international arena. Many developing countries, it is feared, will only obtain marginal gains and as a result the gap between the rich and the poor will grow wider.

The Uruguay Round was hailed as a trade round with a difference as the developing countries were expected to participate actively in the negotiation process. However as in the previous seven rounds of trade negotiations these countries have had limited influence in the discussions and in fact had little room to manoeuvre. Moreover, there has been the tendency to lump together all developing countries and to assume that the new trade regime will have the same impact on all of them. Such is clearly not the case.

I therefore wish to avail myself of this opportunity to make a special mention of the situation of small island States which are generally characterized by limited resources, lack of skilled manpower and know-how and geographical isolation. I am sure everybody can appreciate the difficulty for these countries to compete on equal footing with countries having an abundant labour supply and a vast expanse of land.

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My own country has undergone major structural changes from an agricultural monocrop economy with a fast population growth, a high rate of unemployment, and low per capita incomes to a situation characterized by a fairly stable population, nearly full employment, improved living standards and a rapidly diversifying economy. These reforms have been achieved through stringent monetary and fiscal policies but also, on the privileged access the country had in the European Union and the United States. Changes in the conditions of international trade will definitely impinge on a small open island economy like Mauritius and will surely restrict the degree of freedom available for economic manoeuvre by policy makers and economic operators.

Yet we are prepared to look forward and hope that Mauritius will be able to take some advantage of the new vigour that the Uruguay Round would inject into world trade. The competition outside will be tough and merciless but that seems to be the new rule of the game.

We, however, hope that the World Trade Organization eventually provides us in the developing world the necessary assistance to identify new markets, establishes a mechanism for compensation of erosion of preferences which countries like Mauritius have been enjoying and implement very promptly measures in favour of geographically disadvantaged and net food importing countries. We would also appreciate if during the transitional period the World Trade Organization could accord developing countries more flexibility in the application of the new GATT disciplines.

The proposal to include social clauses on the agenda of the work programme of the World Trade Organization has raised many eyebrows. My delegation considers that this matter should best be left to individual countries to ponder upon. However, as trade flourishes and the world moves out of recession and poverty, it is but legitimate that workers should look forward to a better standard of living and countries all over the world could then endeavour to adopt higher labour standards.

Let us hope that this historic trade agreement will set a new era for the future generations and will make the world a better place to live in. This can only happen if everybody complies with the new rules of the game and plays fairly. We in the developing world expect that our plea goes deep down the conscience of the developed countries and does not just remain a matter for the record of the Marrakesh Ministerial Conference and eventually sink into oblivion.