

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(94)/ST/62
13 April 1994
General Distribution
(UR-94-0174)

Trade Negotiations Committee
Meeting at Ministerial Level
Marrakesh (Morocco), 12-15 April 1994

Original: English

KENYA

Statement by Hon. Kirugi L. M'Mukindia
Minister for Commerce and Industry

On behalf of the Government of Kenya and of the members of my delegation, I wish to record our profound appreciation to the Government and the people of the Kingdom of Morocco, for agreeing to host this conclusive session of the Uruguay Multilateral Trade Negotiations.

Since our arrival in this beautiful country we have been met with warmth and friendship which is characteristic of the people of Morocco. We are indeed happy that at the end of a long road of protracted trade negotiations, we are now able to assemble here and give blessings to the Final Act that embraces what we have been moulding over the years.

I also wish to record my delegation's appreciation for the dedication of the GATT Secretariat in ensuring that the momentous task of concluding the Round, within a given time-frame, became a practical reality. In that respect I wish to single out the former Director-General of GATT, Mr. Arthur Dunkel, and his successor, Mr. Peter Sutherland, for special mention. These two gentlemen have guided their teams of experts with great skill and it is mainly because of their efforts that we are meeting here to conclude the Round.

This concluding meeting of the Round takes place at a time of massive and unprecedented economic changes in the world which have a direct bearing on international trade. Distinguished delegates are all too familiar with the structural changes that have taken place in what was the Eastern bloc of countries. Concordant with these have also been the strong emergence of powerful regional trading blocs in Europe, America, South-East Asia and Africa. All these developments have had, and will continue to have, very significant effects on the world trading system.

On the African continent, we are presently affected by so many divergent factors that it becomes almost impossible to make meaningful long-term plans for the development and control of international trade. High among the factors affecting African development are natural ones like prolonged droughts that negatively affect Africa's ability to produce sufficient quantities of its own food requirements.

The situation is not made any better by recurrent and persistent instances of instability that inevitably lead to displacement of large groups of people from their homes. Such displaced persons become refugees in neighbouring States and are dependent on host governments and international agencies for their daily sustenance. In these circumstances, proper economic planning becomes seriously impaired.

Most of sub-Saharan African countries have, in recent years, been involved in the implementation of certain macroeconomic measures which have come to be popularly known as the Structural Adjustment Programmes (SAP). By their very description these SAPs have prescribed very fundamental changes to the affected economies.

My own country has been fully involved in the implementation of very fundamental measures that form part of our SAPs. High on the agenda of such activities is the complete liberalization of our trade and foreign exchange regimes. These measures have had the combined effect of opening up our young economies to competition from the large industrialized nations. They have even tempted some merchants to dump their products on our markets with little regard to the welfare of the little domestic industrial development that we have made.

These and several other pertinent issues pose to us great challenges. One would, of course, never forget to mention the non-economic ingredient of the SAPs which is the growing awareness of respect for human rights and the process of democratization of the countries affected.

These developments have impacted quite substantially on the negotiations leading to the Final Act that we have come to append our signatures to. They have also created certain hopes and expectations with respect to the results of the Round and the benefits that participating countries can expect from it.

These hopes and expectations have been quite pronounced amongst the developing nations, especially those from Africa, whose economic situation has tended to deteriorate significantly during the years that the Round was being negotiated.

These countries, including my own, have to make tremendous national efforts and sacrifices to create the domestic environment conducive for the implementation of the SAPs. We, therefore, look to the results of the Round to strengthen rather than weaken the meagre trade benefits that we are currently enjoying globally. To fail to derive tangible and significant benefits from the Round would be an act in retrogression which would seriously compromise our ability to fully implement all the provisions of the Round.

We in Kenya have stood firm in our support of the Round, right from its inception in Punta del Este in 1986. Our support for the Round has been buoyed by certain expectations which I wish to allude to very briefly:

- (a) fundamentally we believe that all countries participating in the Round negotiations must derive tangible gains from the results of these processes;
- (b) of prime concern to us is that our export products should enjoy enhanced market access as a result of the Round. We look forward to the fullest possible liberalization of trade in tropical and natural-based products, whether in processed or semi-processed form. Similar market access should also be extended to products of our growing industries, especially for agricultural, textile and service industries;
- (c) that there should be a reasonable time-frame for the implementation of the results of the Round and, in particular, consideration should be given to the capacities of each country to realize these results meaningfully. Within that time, an in-depth and comprehensive analysis would be made of the impacts of the results of the Round so as to ensure that their effects are fair and balanced;
- (d) that the implementation process will involve capacity building in countries such as Kenya in order to realize full benefits of the Round, and that corrective measures would be taken to mitigate against the adverse effects of the Round in some countries.

I wanted to bring some of the above issues before this distinguished gathering as a way of underwriting the fact, which many a delegation has made, that the road from Punta del Este to Marrakesh

has been a very long one. Additionally, to the developing countries, it has called for making of a lot of economic sacrifices. But like in the proverbial case of planting seeds without knowing what the seeds will blossom, germinate, and produce, the appending of our signature to the Final Act is really an investment in the hope of realizing tangible benefits in the not too distant future.

Already several delegates have very amply echoed the risk that weak economies, especially those of sub-Sahara Africa, face as a result of the Round. Several scholars and eminent authorities have also pointed out these dangers to us. Some have even ventured to estimate that Africa stands to lose as much as US\$2.5 billion annually when the various measures embodying the Round are implemented.

My delegation humbly submits that this is neither the place nor the time to assess the profit and loss accounts of the Round. For, to do so, would be to open the whole process for these negotiations afresh. And, as each passing day brings along new economic factors that will definitely impact our negotiations, the reopened discussions would go on well into the next century, without coming up with anything new.

Our position is that when we give approval to the Final Act, we have provided for a safety clause that enables us to review, on a regular periodic basis, the progress and effects of the implementation of the Round. In that respect, my delegation welcomes the establishment of the World Trade Organization (WTO) whose agenda must prioritize issues of interest to the African continent. We must evolve an impartial system of review of the results of the Round and of settlement of trade disputes. In the process we shall have effectively sidelined unilateralism in favour of multilateralism.

Given the foregoing, we urge all the contracting parties to take clear cognizance of the great sacrifices that the developing countries have had to make in the interest of liberalized global trade and for the realization of the conclusion of this Round. These sacrifices have been made boldly and openly, notwithstanding the early indications that developing countries, especially those from the continent of Africa, may in the end lose out from the effects of this Round.

It is, therefore, prudent to expect that the African countries will look to their developed trading partners for enhanced preferences under the existing GSP. Increase in development assistance, bilaterally and multilaterally, especially to the net food-importing countries. We also expect genuine cooperation from our trading partners in all our efforts to eliminate whatever residual non-tariff measures that may militate against our accelerated access to these markets.

In conclusion, allow me once again to thank our host nation, Morocco, for having come forward to provide impeccable arrangements for this meeting. My last remark is to request the Director-General of GATT, and his team of experts, to arrange for follow-up bilateral or regional workshops on this most complex Round. Kenya would be willing to host such a workshop for our region if the Secretariat decides to hold the same in our country.