General Agreement on
Tariffs and Trade

Preparatory Committee

Statement By The Delegation of the Republic of Zaire
At the Meeting of 19 February 1982

The statement I wish to make relates to three topics suggested in the Secretariat note PREP.COM/W/1/Rev.1, namely, Problems of Developing Countries, Part IV of GATT, and Greater Participation of Developing Countries in World Trade and the GATT System.

In the opinion of my delegation, these topics are interconnected and could be combined as a single item for discussion at the next Ministerial meeting.

Discussion of the problems of developing countries like mine, in connection with the General Agreement, and of our greater participation in world trade and in the GATT system implies first, in our opinion, a fuller application of Part IV of the General Agreement.

Our problems are, indeed, those of access for our export products to the markets of the developed countries which are our trading partners, and thus relate to tariffs and non-tariff barriers; but for the last ten years, these problems have been more closely connected with the almost continuous fall in the purchasing power of our export receipts. This fall in the prices of the primary commodities which constitute most of our exports, has never been so great since 1950; and this is so in spite of the substantial quantitative increase in our exports.

The continuous fall in our export receipts has been accompanied by a reduction of our capacity to finance current expenditure and investment; it has also caused us serious difficulties in regard to debt service and has cast doubt on our ability to raise new loans to finance our development plans. This has resulted in a slowing down of our growth, and a decrease in our participation in world trade. In the GATT Report on International Trade 1980/1981, it is clearly recognized that since the foreign exchange position of medium-sized countries like mine depends much more on our export receipts than on private credit, in view of the recession taking place in the industrial regions, the present weakness of the markets for many primary products exported by our countries is likely to get worse.
In such an environment dominated by uncertainty, in view of the very nature of the structure of our still relatively rigid economies, our governments are confronted with ever-increasing difficulties in their efforts to conduct coherent and orderly economic and commercial policies over the medium and long term. The problems of access to markets, important though they are, have therefore given way to those relating to prices and their stabilization.

We therefore believe that in order to obtain greater participation by developing countries in the activities of GATT, account should be taken of two aspects of the problems affecting our economies: first, access of our products to markets and improvement of markets by resisting the protectionism that threatens us and other measures such as quantitative restrictions on imports, taxation, and internal charges or levies on products imported from our countries, including primary commodities and tropical produce; secondly, the prices to be paid for our products should not only depend on the laws of supply and demand, that is to say market forces, but should take account of our production cost structures and our development (finance) and trade needs. A large industrialized country recently established such a link when concluding with a developing country an agreement for the purchase of a certain product. In that connection preferential prices and differentiated prices were mentioned.

Now the relevant provisions of Articles XXXVII and XXXVIII in Part IV of the General Agreement, if they were more fully implemented would better meet the expectations of the developing countries and would be sure to lead to greater participation in world trade and hence in the activities of GATT.

My delegation wishes to suggest to the secretariat that, in its studies of the trade problems of developing countries, it should concentrate more on the principles, objects and undertakings set out in paragraphs 1(a), (b) and (c), and 3(b) of Article XXXVII and in paragraphs 2(a), (b) and (c) of Article XXXVIII. The secretariat should include these studies and work on concrete and practical solutions in its programme of work and technical assistance for the present decade, so that in the joint action provided for in Article XXXVIII of the General Agreement, the problems of participation in world trade and in the GATT system by developing countries like mine may be really taken into account and satisfactorily solved on a lasting basis.

My delegation would like the three topics mentioned above to be combined as an item entitled "Fuller implementation of Part IV and participation of developing countries in world trade and the GATT system".