OPENING STATEMENT OF THE REPRESENTATIVE OF TUNISIA

Under the provisions of Article XVIII:12(b) of the General Agreement biennial consultations are held between the CONTRACTING PARTIES and countries applying import restrictions.

Tunisia is anxious to comply with the rules of the General Agreement, and therefore attaches great importance to these consultations, in which it took part in 1965 and now has once more the honour to participate.

For this purpose the Tunisian Government has submitted to the CONTRACTING PARTIES a memorandum, describing the country's effort to maintain its economic expansion at a satisfactory rate (6 per cent) while not neglecting the external payments difficulties consequent upon such expansion.

To facilitate discussions on this memorandum, the Tunisian delegation has the honour to recall that Tunisia, on becoming independent, chose the difficult path of economic and social development within a planned framework.

In 1962, Tunisia drew up projections for the first ten years fixing a general outline for the development of the economy to form a set of overall estimates and forecasts by sector based on certain objectives in regard to quality and quantity.

The first stage towards attainment of these objectives was a preliminary Three-Year Plan (1962-1964), designed essentially to reform Tunisia's economic structures in order to prepare them for a growth effort and pave the way for the productive investment planned for the second stage, i.e. in the years 1965-1968.

As was indicated by the Tunisian delegation in 1965, the activities embarked on under the Three-Year Plan were aimed at three objectives:

- first of all that of decolonization, consisting on the domestic plane of "Tunisification" of the foreign sector, and on the external plane, a lesser degree of dependence on any particular trading partner;
- the second objective was to introduce a set of structural reforms designed to adapt the national economy to the planning effort and to facilitate smooth and accelerated development;

- lastly, the third objective was to ascertain the Tunisian economy's reactions to the various structural reforms and at the same time to prepare the studies required for the second Tunisian plan.

The implementation of this Three-Year Preliminary Plan cost D 270 million (approximately US$550 million), only one third of that amount coming from external resources.

Tunisia has had therefore to make considerable efforts, relying first on itself, to meet its own needs and at the same time to finance the activities included in the Three-Year Preliminary Plan.

In this connexion it should be mentioned that while gross national product rose by approximately 24 per cent between 1960 and 1964, investments increased by almost 60 per cent, representing in 1964 more than 23 per cent of gross national product.

Savings increased over the same period by 86 per cent, which gives some indication of the effort made by the country to ensure its development and make up for the fact that the mobilization of foreign aid had encountered considerable delay.

In addition, the initial stages of the Three-Year Plan were affected by a chronic trade deficit and rather limited foreign exchange reserves, which explains the following three specific objectives laid down in the foreign trade sector:

(i) to take account of the balance-of-payments difficulties inherent in the chronic trade deficit;

(ii) to protect economic sectors which were at the beginning of their development;
(iii) to reduce consumption of certain imported products in order to promote domestic saving and to re-orientate expenditure in foreign currency towards the purchase of goods more urgently required for the Tunisian economy.

These were the three principles considered whenever the Tunisian Government introduced prohibitions or quantitative restrictions on the import of any particular product.

These same objectives have prevailed in the Four-Year Plan for the period 1964 to 1968, which provided for overall investment amounting to D 450 million (approximately US$810 million).

Out of this projected expenditure, the following investments have been made in the course of the years 1965 and 1966:

1965: D 132 million, as follows:

- from internal resources: D 55 million
- from external resources: D 77 million.

1966: D 123 million, as follows:

- from internal resources: D 70.6 million
- from external resources: D 52.8 million.
In order to meet the requirements of this investment effort the Tunisian Government has drawn heavily on the country's foreign exchange reserves and has received bilateral and multilateral external assistance, the volume of which has been kept within limits compatible with the country's internal and external resources, in consultation with international financing institutions.

Lastly, I should like to recall that Tunisia, which has provisionally acceded to the General Agreement, is preparing to negotiate with the CONTRACTING PARTIES in coming months its full accession to the General Agreement.

For this purpose, the Tunisian Government is at present reforming its customs tariff with a view to making it an instrument better suited to the present state of the Tunisian economy, which has developed considerably since 1959 when the existing customs tariff was drawn up.

The new tariff comprises a more detailed nomenclature to permit greater individualization of products. In addition, fiscal charges will be reduced to the minimum on raw materials and equipment goods, and will be adjusted on luxury articles and certain consumer goods.

The existing import prohibitions are being reviewed, and only those designed to meet a danger for a particular sector or for infant industries will be maintained; in other words, such measures will be on a provisional basis and will be lifted completely or partly as soon as the sector concerned is able to face fair competition from foreign products.

Lastly, still with respect to quantitative import restrictions, it should be pointed out that the basic principle is the progressive removal of protection in the form of bilateral quotas, and its replacement at least by a global quota system, if not by tariff protection, so that the basic structure of the regulations would be as follows:

- a list of global quotas covering major consumer items;
- a list of essential products, to be liberalized and subject to low customs duties;
- a list of non-essential products, not under quota, but subject to high duty rates;
- a list of products under bilateral quota which are difficult to control by other means.

These are the basic principles followed by the Tunisian Government in regard to import restrictions, and the reasons justifying the maintenance of these restrictive measures in coming years.