COLOMBIA

Statement by Dr. Juan Manuel Santos
Vice-President, Minister of Foreign Trade

As I arrive in Marrakesh and have the honour to address this Meeting, my first words on behalf of the Colombian Government are words of gratitude and congratulation to His Majesty King Hassan II and to the Government of Morocco for their generous hospitality and the magnificent way they have organized this historic event. Those who compare it with the famous Bretton Woods meeting which established the agencies that profoundly transformed the world’s economic and financial relations are right to do so.

We countries contracting parties to GATT have agreed upon a multilateral trade system which now includes services and intellectual property and which, after several decades of limited commitments, again includes agriculture and textiles in the trade liberalization process. An advance of the first importance is the widening of the scope of international trade law with a renewed dispute settlement system.

The agreements reached after long deliberations - which in some cases turned into sharp confrontations - show that, in this changing world, the forces of democracy, freedom and integration are thrusting forward. Consequently we must foster pluralism, disarm minds, cultivate tolerance and accept interdependence if we wish to share in the benefits of increasing globalization of the world economy.

The various regions of the world have been adopting the postulates of market freedom, albeit at different speeds and in different degrees of intensity. Colombia has unreservedly welcomed these winds of change. Openness and integration with our neighbours have become the basic objectives of our economic policy. We have applied the formula which is now in practice almost throughout the world: reduction of tariffs, abolition of subsidies, strengthening of the State where its action is required, but privatization of activities in which private enterprise proves to be more efficient.

This whole catalogue of actions should be based on adequate macroeconomic management, fair distribution of profits and above all a frontal attack on extreme poverty. Let us make no mistake: unless the benefits of the free market are reflected in an improvement of the living conditions of our peoples, and unless we close the gap between rich and poor both within countries and between them, the flag we are now hoisting as the symbol of a better future will be torn down and reduced to ashes by the frustration of the dispossessed.

In the process of integration with its neighbours, Colombia has taken a very aggressive part. This year, on the expiry of the present legislature, we shall be part of an expanded market of more than 180 million people in some 22 countries with a gross domestic product equal to half that of all
Latin America. Throughout this process we have kept as our basic premise the notion of open integration: that is to say, regional integration accompanied by greater market freedom in relation to third countries. This philosophy, which has inspired our trade agreements, is perfectly compatible with the postulates of GATT, to the point where we might say that the attainment of its objectives is advanced by encouraging complete market freedom between certain countries without creating exclusive blocs.

Today we may state unequivocally that, long before the Round was completed, Colombia made the Round's challenges its own, preparing itself for success under the new conditions of competition and development. The culmination of the Uruguay Round and the establishment of the World Trade Organization are for us two facts of vital importance inasmuch as they create an international setting favourable to deeper integration of the Colombian economy in the great flows of the world markets.

The results of the Round should not be regarded as an end in themselves but as the continuation of a process that commits the will and resolution of governments.

Although the developing countries have made significant progress as regards access for their products to the markets of the industrialized countries, it should be pointed out that less than what was desired was achieved. As to the elimination of distortions in agriculture, the results fall far short of the aims set at Punta del Este.

The dismantling of the Multifibre Arrangement which is to take place in the medium term is becoming a great challenge to the small exporting countries such as Colombia. The reinclusion of this sector in the multilateral disciplines is still to be supplemented by the lowering of tariff barriers, especially those of the industrialized countries.

The developing countries have secured important commitments, especially as regards the number of products subject to bound tariffs. The market is thus given greater security by removing the possibility of untimely changes.

It has been clearly established that the new rules of the game require of all contracting parties mandatory compliance with the agreements negotiated during the Round, in contrast with the past when most of them were instruments for voluntary adherence. To the extent that all participate on an equal footing, it will be possible to guarantee the credibility of the system and the developing countries will be able to compete without suffering discrimination. Hence the need to be able to rely on an efficient, dynamic World Trade Organization with full capacity to attain its objectives.

One of the most controversial topics is that of the so-called social clause. The problem arises from the different attitudes of countries with regard to the true scope of that clause. If it is a matter of favouring the improvement of working conditions and promoting social justice, there is no reason to oppose it. The danger is lest these noble purposes should be perverted in order to set up new obstacles to trade in place of those we are removing.

As to the environment, our country has an unbreakable commitment to the tenets of sustainable development and will take an active part in the work being done to ensure that this subject and its relationship to trade are examined with all due responsibility and seriousness.

On concluding my statement I wish to mention the skilled work done by Mr. Arthur Dunkel and Mr. Peter Sutherland, the two Directors-General of GATT, and by all members of the Secretariat. Tomorrow will be a historic day for world trade and multilateral relations. We take up the challenge of free trade in the conviction that this is the most appropriate way to secure a better world for the coming generations. They will judge whether we were equal to this commitment or not.