

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)113
November 1982

CONTRACTING PARTIES
Thirty-Eighth Session
Ministerial Meeting
(24-27 November 1982)

Original: French

STATEMENT BY H.E. MR. GHEORGHE DOLGU,
DEPUTY MINISTER FOR FOREIGN AFFAIRS OF ROMANIA

I should first like to associate myself with the congratulations extended to you by previous speakers on your election as Chairman of this important meeting, which is called upon to make a major contribution towards extricating world trade from its present critical situation.

Successful accomplishment of the mission assigned to our meeting requires concentration of the efforts of all participating countries in order to reverse current protectionist trends, continue the process of liberalization of international trade and find equitable solutions to the acute problems facing the developing countries. The prospects of the multilateral trading system and greater confidence in the principles and rules of the General Agreement will depend on the solutions we shall agree upon and incorporate in the document to be adopted.

Our meeting is taking place under conditions of a continued worsening of the international economic situation and a deepening world economic crisis, which is seriously affecting all countries and more particularly the developing countries. We are also witnessing an almost complete breakdown of multilateral communication channels and mechanisms in the solution of international economic problems.

Like previous speakers, I cannot sufficiently emphasize how concerned my country is over the increasingly frequent use of camouflaged protectionist measures, such as the misuse of anti-dumping procedures and the practice of seeking unilateral solutions outside the General Agreement, without regard for common interests or the increased economic interdependence of today's world. Ever greater difficulties impeding access to the international market for goods and capital, discriminatory and protectionist measures taken by the developed countries, exaggerated customs duties, soaring costs of credit and disturbing growth of external debt, obstacles to the transfer of technology, and deterioration in the terms of trade of the developing countries continue to erode the foundations of international economic co-operation.

Romania and its President believe that the extremely grave situation facing the world economy and world trade calls for resolute action to agree on efficacious measures to bring about the economic and social progress of

all countries, and especially the developing countries, the revival of international economic activity and the introduction of the new international economic order. In that regard, the General Agreement can and must make a greater contribution.

As many delegations have already stressed, the foreign trade of the developing countries has been and is being affected by the present critical situation of the world economy and world trade, and by the spread of protectionist practices. My country is no exception. We have had to decrease our exports to the developed countries, particularly those of Europe, and that has led to a substantial reduction in the import capacities of our economy. This is a typical situation for many developing countries whose reduced importing power can no longer serve as an impetus for the exports of the developed countries. Quite obviously, the cessation of protectionist trends and the adoption of new measures to promote the return to free trade and to facilitate access to financial markets and the easing of the external-debt burden would operate in favour of not just one country or even of all developing countries; such measures would be beneficial for the developed countries, the world economy as a whole and general progress.

With regard to priorities in the programme of GATT's future actions, we should like to stress first of all the need for the contracting parties to assume the firm commitment not to introduce new barriers to trade and to make every effort to halt and reverse protectionist trends so as to put us back on the path of expanding free trade.

We attach particular importance to the elimination of quantitative restrictions, particularly those of a discriminatory character, as well as of new forms of protectionism, voluntary limitation of exports, minimum prices, misuse of anti-dumping measures. Similarly, we look forward to the gradual elimination of obstacles to trade in agricultural products through the reduction of tariff and non-tariff barriers to imports.

We must also stress the need for the wider application of preferential treatment to all developing countries, and for substantial improvement in the generalized system of preferences. If that is accepted, it presupposes as equally necessary observance of the principle of non-discrimination and of the generalized and non-reciprocal nature of trade concessions, as well as avoidance of measures of gradation and differentiation among developing countries as regards trade treatment. We also attribute particular importance to a more precise formulation - based on the principle of non-discrimination - of the rules, criteria and implementing mechanisms of safeguard clauses.

I should like to take this opportunity to draw your attention to a problem whose solution is a prerequisite for the rehabilitation of international trade. Romania is firmly convinced that the measures envisaged

for strengthening the world trading system could be viable provided that at the same time the financial problems affecting more particularly the developing countries are solved. These countries have accumulated very large debts, attributable primarily to the policies followed by the developed countries. The developing countries are not able, for the time being, to pay their debts. Moreover, the servicing of their debt constitutes an immense burden for them, nullifying their economic development capacities, and this only helps to deepen the world economic crisis. That is why, in the opinion of the Romanian delegation, it is necessary to have a long-term rescheduling of the debt of the developing countries with a grace period of four to five years. Such a procedure would enable the developing countries to concentrate on their economic development, on utilization of their human and material potential. It would be desirable for the debts of the least-developed countries to be completely cancelled, while for the other developing countries they should be reduced by proportions based on per capita national income. It is also necessary to initiate negotiations between developed and developing countries to discuss and agree on a reduction in interest rates. Romania believes that interest rates should not exceed 8 per cent; in the case of developing countries they should be differentiated and not exceed 5 per cent. As regards interest already paid, the difference between the actual rates paid and the rates proposed should be treated as loan repayments and deducted from the debt.

In international relations we are experiencing a period of grave tensions which tend to be shifted to the sphere of inter-State trade. The Romanian delegation resolutely opposes economic sanctions imposed for non-economic reasons. Such measures conflict with GATT's principles and rules. They reduce the credibility of the General Agreement, erode the spirit of co-operation and understanding among nations, and harm their economic interests. It is imperative to make every effort to ensure that such a dangerous course is not imparted to international economic relations and to adopt measures for the elimination of all discrimination, of all political or other conditioning, and for the uninterrupted application of the most-favoured-nation clause.

Romania and its President consider that, when it comes to acting in the spirit of GATT, trade and economic relations between States must be based on the principles of full equality and mutual benefit, independently of all political conditions and all interference in the internal affairs of other States. In adopting that position, we take into account not only the close connection between unhampered international economic co-operation and the socio-economic progress of each nation, but also the fact that precisely during periods of tension efforts should be intensified to eliminate barriers to trade between States, thereby helping to create the necessary premises for returning to a policy of détente and peace, based on national independence and co-operation among peoples.

In our opinion, the Ministerial meeting should adopt a substantive document containing both a declaration reaffirming confidence in the multilateral system of GATT, its rules and principles, and concrete decisions on certain problems or specific sectors and on the co-ordinates of actions to be taken in the near future to settle questions identified by our meeting.

In the way it was drafted during the preparatory stage, the document does, in our view, meet some of the problems mentioned above. We believe, however, that for others it is necessary to draw up clear and precise guidelines for subsequent negotiations.

As a contracting party to the GATT, Romania reaffirms once again its attachment to the multilateral system of the General Agreement and its determination to continue in the future to develop its trade with all countries in the framework of equitable trade relations, to act to strengthen the rôle of GATT in the process of liberalizing world trade and to co-operate closely with the other participating delegations in making its contribution to the success of this Ministerial meeting.