

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## STATEMENT BY H.E. MR. AGUSTÍN HIDALGO QUINTANA, SECRETARY OF STATE FOR TRADE, SPAIN

This Ministerial meeting of the GATT CONTRACTING PARTIES is being held at an especially critical moment for the world economy, whose aspects being known to all, I need not describe. As a positive element, and unlike what happened in earlier crises, we now have a multilateral free-trade instrument, the GATT.

As regards my own country, I must stress its great dependence on the world economic situation (our foreign trade accounts for 27.6 per cent of GNP) and, consequently, the extensive influence which the negative factors of that situation are exerting on Spain's economy, whose most prominent features are: a modest level of production, with growth of GNP estimated at 1.5 per cent for 1982; a rate of inflation which will probably reach some 15 per cent in the consumer price index; a persistent high rate of unemployment, estimated at 16 per cent of the active population, or a total of approximately 2 million unemployed this year; a substantial deficit in the trade balance, estimated at more than \$9 billion; a considerable increase in Spain's external debt; and, lastly, a soaring public deficit.

In view of a world economic situation marked by such a gloomy panorama and having such negative repercussions on Spain's economy, the opinion of my delegation cannot but reflect a combination of ambient pessimism over a horizon so full of lowering clouds, and of the hope that it will clear as a result of the union of our forces to arrive at some realistic agreements that will have, as the centrepiece of the regulation of international trade, the system of GATT duly revised and brought up to date. That, in my judgement, is the main justification for holding the annual session of the GATT CONTRACTING PARTIES at ministerial level.

My country's position over the nearly twenty years since its accession to GATT has remained one, now traditional, of co-operation with other contracting parties, observance of the General Agreement's provisions and increasingly closer involvement in the work of GATT, with all the difficulties that has meant for an economy like Spain's, which has not been able to enjoy the benefits available to developing countries and at the same time has accepted responsibilities, and managed to fulfil obligations, of countries with high commitments in GATT.

The result of all this has been the binding of almost half of Spain's tariff headings in our GATT Schedule, the virtual renunciation of use of Articles XII and XVIII of the General Agreement as justification for our import limitations and the very rare use we have made of Article XIX. On the other hand, Spain, which actively participated in the work of the Tokyo Round, had some subsequent difficulties in accepting each and every one of the agreements resulting therefrom. Nevertheless, it has signed five of them, including two with reservations.

In addressing itself directly to the great challenge implicit for GATT in the present world economic situation and its reflection in the Ministerial Declaration, the draft of which we have before us, the Spanish delegation would like to set forth its position on those subjects which we consider of major general interest or which may have special implications for my country's trading policy.

As regards commitments accepted in GATT's work programme for the 1980s, Spain expresses its intention to continue in its policy of progressive liberalization of its foreign trade and adjustment to the system of GATT, to the extent of our abilities to maintain the difficult balance between the realities of our national economy and the legality of the obligations assumed by my country in the framework of GATT.

With regard to the principal subjects included in GATT's work programme, which constitute the basic element of the Ministerial Declaration, Spain, which shares the general desire for a complete and effective development of Article XIX of the General Agreement on safeguards, would have preferred the inclusion in the text of a reference to the principle of selectivity, which we consider indispensable for the optimum practical application of the system and for ensuring that the innocent do not pay for the guilty.

With reference to trade in agriculture, we have always been in favour of regulating it in the framework of GATT, and we should like to see very much borne in mind the specific characteristics and problems of this sector, of which those of my country's agriculture are a good example.

We consider the review of quantitative restrictions and other non-tariff measures very important, as well as the grounds on which they are maintained and their conformity with the system of GATT, a task of unquestionable complexity in which Spain proposes to participate very actively.

We offer a similar spirit of co-operation in the field of structural adjustment and trade policy, which is of direct interest to us for our process of industrial reconversion and in connection with the implementation of safeguards and quantitative restrictions on imports.

My country also ascribes great importance to the improvement of dispute settlement procedures, in which we should like to see greater use made of the conciliation phase and the strengthening of the rôle of panels and of verification of compliance with Decisions of the CONTRACTING PARTIES.

In the complicated area of fisheries, my delegation cannot but express its great concern over this subject and its firm conviction that its consideration must not be limited to trading problems but must extend to the production aspects, which have been affected by the changes that have taken place in the structure of territorial waters, since it is those production aspects which have given rise to serious trade problems.

On some of the possible subjects that have been suggested for inclusion in GATT's future programme list, such as services and trade-related performance requirements, my country shares the opinion of many others which consider their inclusion in that list not very opportune at the present time in view of the critical world economic situation and the large and heavy work programme which GATT has before it.

In conclusion, Spain wishes to express once again its intention to co-operate, with the other contracting parties assembled here, in the common task of regulating and expanding international trade by means of a better and more complete instrumentation of the GATT multilateral system, in order to contribute constructively to greater well-being for all the world's peoples.