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RESTRICTED

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1. Let me begin this address with a reference to the world economic situation under which this GATT Ministerial meeting has been convened. Reminiscent of the world economic depression of the 1930s, the general picture of the world economic situation today is that of severe recession. The economic indicators everywhere show high rates of inflation, low or negative rates of economic growth in industrial countries, and large imbalances in the external current accounts of many developed and developing countries. Associated with these are the fall in the expansion of the volume of world trade, serious threats of protectionism in trade policies by many industrial countries, high unemployment and, high interest rates in many industrial countries following their restrictive monetary policies to combat inflation.
2. Although these symptoms are evident in all countries to varying degrees, the effects of the recession have been particularly shattering on developing countries. In these Third World countries, export earnings have fizzled out, development programmes have been abandoned (some mid-way) and even the maintenance of essential services has put a heavy strain on the meagre government resources. Most of the countries have had to resort to several remedial economic measures which, because of the external sources of the recession, have yielded only very limited results. Naturally the obvious area of first attack is foreign trade in view of the sheer difficulties being experienced in settling import bills.
3. But the greatest threat to international trade in recent times are the protectionist measures taken by developed countries to protect their industries against imports from developing countries. May I mention that the ever increasing resort by developed countries to such measures as orderly marketing arrangements, voluntary export restraints and tariff escalation constitute a great obstacle to market access for both agricultural and industrial products from developing countries and in consequence hampers the growth of agro-based industries of the developing countries. In this connection, I would like to point out that my country suffered a trade loss of about US\$15 million as a result of protective tariffs imposed on wheat offals by a group of countries.

4. Nigeria supports the elimination of all forms of protectionist measures that adversely affect international trade. In order to reduce the frequent resort to protectionist measures, developed countries should make structural adjustments in their domestic economies so as to allow factors of production to move out of sectors in which developing countries have comparative advantage.

5. Another issue which adversely affects the growth of export trade of developing countries is the grant of export subsidies by developed countries. The subsidization policy of developed countries in both primary and industrial products, you are aware, has made the exports of developing countries less competitive. In this regard, I wish to express my country's desire and support for the phasing-out of export subsidies by developed countries.

6. Worthy of mention too is the need to improve on the Generalized System of Preferences (GSP) granted by developed countries to developing countries. In this regard, I wish to say that the introduction of the concept of graduation and stringent rules of origin and quota ceiling into the GSP scheme by developed countries, constitutes a setback to the full implementation of Part IV of GATT by the developed countries. These clearly undermine the objective of Part IV of GATT which provides for preferential treatment on a non-reciprocal basis for developing countries. In order therefore to enable developing member States to participate more effectively in the world trading system, as envisaged in Part IV of GATT, the GSP should be reviewed so as to eliminate arbitrary or unilateral withdrawal of GSP from developing countries.

7. With reference to the safeguard measures as provided in Article XIX of GATT, I wish to express my country's belief that the principle of most favoured nation (m.f.n.) ensures fairness and discipline in the conduct of international trade. Nigeria therefore supports the principle of objective criteria which precludes arbitrary imposition of safeguard measures.

8. Of great importance too is the need to provide more funds for the International Trade Centre (ITC) to enable it to carry out its export promotion programmes for developing countries. Export promotion as part of the overall programme of export diversification by developing countries cannot be over-emphasized as it would enable the developing countries to reduce their over-dependence on one export product as a source of foreign exchange earnings.

9. Related to export of goods banned from sale in their country of origin, I am happy to see that procedures for notification of prohibited products, a proposal which we made together with Sri Lanka, have been included in the Ministerial Declaration. Nigeria will participate actively and constructively in any future work in this area.

10. A point I would like to emphasize is that only a prosperous nation can be a potential trading partner. The Third World is a source of potential vast markets for the industrialized nations, but this potential can never be realized in the absence of a conscious effort by the developed countries to promote the development of the Third World countries so as to create demand for the products of the industrialized countries. Restrictive measures intended to stultify the growth of the developing economies can only be counter-productive in an interdependent world economy.

11. This GATT Ministerial meeting is taking place at a most crucial period in the economic history of this century. In the attempt to solve the problems created by the global recession, this organization should not lose sight of the need to accord the developing countries the most sympathetic treatment in the formulation of international trade policies.