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My country, the Ivory Coast, welcomes the opportunity to take part in this Ministerial meeting of the CONTRACTING PARTIES devoted to an examination of the system of multilateral trade, and thus to be associated in the mammoth task of promoting international trade that has occupied GATT with notorious success ever since it was set up, thus playing a major rôle in the extraordinary economic growth which the world has known over the last three decades.

The Ivory Coast is gratified at the new turn given to its activities by GATT, which is not only pursuing its measures in favour of a steady and effective liberalization of trade but has undertaken to look into the special situation of the underdeveloped countries, numerous but weak, rich in potentiality but inadequately exploited, and yet forming an integral part of the world in which we live.

My country trusts that the contracting parties will encourage this trend, which our Director-General, Arthur Dunkel and his secretariat colleagues, with their praiseworthy readiness of access and involvement, are anxious to make the most of and to use as their main weapon in this extremely difficult period in our lives as nations. We greatly appreciated, of that there is no doubt, the visit by the Director-General to Abidjan in May 1982, which demonstrated for us his broad understanding of the problems of the developing countries in general and those of the African countries in particular.

I. The international economic situation

A. World economy

In these early years of the 1980s, the world's economy has undergone a general and many faceted crisis, which spares no one and affects all spheres at the same time. This profound crisis, coming after nearly forty years of constant expansion, is characterized by a severe falling-off in production, especially of manufactures; low rates of growth, where they are not actually zero or negative; rising rates of unemployment in the large industrial countries; persistent inflation in spite of the loudly proclaimed plans of the political leaders; rates of interest too high to encourage investment; and finally, disastrous instability in exchange rates at a time when the interdependence of nations has never been so marked. The crisis is continuing, and there is no sign to suggest an end to it in the near future.

B. The case of the developing countries

The developing countries, poorly diversified at the economic level but strongly integrated into international trade, are feeling the full blast of the present economic crisis, with its impact on the internal socio-political situation which we need not dwell upon here.

But these countries, which are largely, and mostly, producers of primary commodities, have for more than four years now been witnessing - though they are impotent to influence it - a falling-off in the prices of raw materials, mineral and agricultural, which they export to the industrial countries, a persistent falling-off reaching alarming percentages not justified by the balance of supply and demand, still less by the usefulness of these products in the world's economic system. We can only see this - since we must no longer bind ourselves to the hard facts occurring in this world of ours - as the outcome of the perverse and destructive action of international speculation which haunts the stock exchanges in London, New York and elsewhere and manipulates unashamedly, without any sense of the human problems involved, the rates for the products which our brave peoples produce by the sweat of their brow, thus plunging them still further into poverty and despair.

If we add to this the low level of demand due to the slowing down of activities in the countries which use raw materials, we see a catastrophic fall in export earnings for the countries which produce raw materials. Thus, each year since 1979, for two products alone (coffee and cocoa) my country, the Ivory Coast, has lost an average of CFAF 350 billion (\$1 billion at the present rate)! When we realize that the situation for other products is no better, we can understand the tragic fate of the developing countries which no longer have sufficient earnings to import the products essential for their survival and to enable them to carry out their economic and social development programmes. But these imports and investments involve a demand for products from the industrial countries. This is the point at which our difficulties on either side converge: we are linked by the problems, and we must make a joint effort to find the solution. In isolation no one will win!

C. Impact on the world trading system

The first consequence of the current economic crisis has been the decline in overall trade, a phenomenon which the international economy has not known since the last world war. This slowdown in trade is bound to bring about distortion in the economies of the trading nations, which aggravates the difficulties already mentioned. To lessen the socially undesirable effects of this trend, the political leaders are reduced to taking unilateral measures, often at the expense of undertakings given at the international level.

Hence the development of protectionist trends by which each country protects its market against the inroads of products coming from other countries and competing directly or indirectly with its own production.

Examples are numerous, most of all in the relations between industrialized countries but also in the relations between industrial and developing countries.

Similarly, there is a proliferation of infringements of the rules of the General Agreement on Tariffs and Trade without the slightest consultation or negotiation. Yet the GATT rules, especially the most-favoured-nation clause which is its keystone, were drawn up by the CONTRACTING PARTIES to ensure the steady development of international trade in the interests of all parties. They even permit derogations to take account of the state of a given economy and to encourage the development of under-developed countries regarded as nascent economies.

Indeed, one of the most tragic consequences of the present crisis is the way it affects developing countries, not only because the bulk of their national production consists of raw materials for which the purchase prices on the international market have slumped in the proportions mentioned above, but because they find their industrialization efforts cancelled out by the upheavals in the international market, especially in the labour-intensive goods sector. Yet as we have pointed out, our economies have become strongly inter-dependent during these last years of the twentieth century, when demand for goods by the developing countries gives an incentive to the industrial plant of the industrialized countries. It is therefore obvious that the developing countries cannot possibly import goods essential for their survival if they are obliged to put off the execution of their industrial programmes and if they reach the point when they can no longer honour the servicing of their colossal external debt. We must not delude ourselves into thinking that all the nations of the world will enter upon a cycle of economic recession whose consequences are not properly perceived by any of us, blinded as we are by our national self-interest and our skimpy short-term policies, since the developing countries at the present time constitute the greatest potential markets in the world; and it has been proved that these markets are rapidly expanding.

In this context, the timing of the present Ministerial meeting of the CONTRACTING PARTIES is opportune, since it should enable us to make positive proposals and to take bold measures, after analysing the difficulties of international trade, to sustain and improve the system and thus stimulate a genuine economic regeneration of our economies.

II. The problems of international trade, and what we propose

As we all know, international trade revolves around three major axes:

- Trade in industrial products;
- Trade in commodities;
- Trade in services and capital.

I shall confine my comments to the first two, pointing out the problems and making proposals as to the measures to be taken, in the light of the fact that trade in services, which has been developing over the last few years and takes place in a context hardly favourable to the demand side as far as quality and price are concerned, is marginal as compared with trade in goods.

A. Trade in industrial products

The General Agreement on Tariffs and Trade, set up after the end of the Second World War as an instrument designed to combat the protectionism which was rife during the period of reconstruction of the countries affected by hostilities, has greatly contributed to the extraordinary upsurge which world trade has seen since the 1950s. The basic principles of GATT, and especially the most-favoured-nation clause, were laid down mainly to encourage trade in industrial products among the contracting parties. Successive multilateral negotiations, particularly the Kennedy Round and the Tokyo Round, made it possible to increase this liberalization of trade by crystallizing the rules of the game.

But the accelerated economic growth of the last three decades has introduced many factors of distortion into international trade in industrial products such as is carried on mainly between industrialized countries, although also between developed countries and certain countries of the South which have embarked on a vast process of industrialization geared to export.

Today these distortions have been magnified as a result of the economic crisis, and the reactions of the trading nations have created distrust and sown discord because they have acted unilaterally and contrary to the GATT rules - introducing more and more restrictions on imports, export subsidies, various obstacles to imports, other protective measures, etc. This wave of protectionism has cast doubt on the capacity of the system based on the General Agreement to encourage the mutually acceptable development of international trade on an equitable and effective basis, and hence to help to reverse the downward trend of world economy.

It is urgently necessary for the CONTRACTING PARTIES to take resolute decisions which will put an end to this trend, suicidal for all concerned, and thus encourage the expansion of international trade in the common interest. To this end:

1. The CONTRACTING PARTIES must pursue the liberalization of trade by confirming the commitments made within the framework of the General Agreement and by making GATT a special forum for dialogue, consultation and negotiation with a view to achieving the balance which is essential for the honest and sincere application of the rules and procedures of the system.

2. They must be prepared without delay to implement the results of the overall negotiations.

3. With regard to the settlement of disputes, it is essential that effective procedures should be found so as to maintain a proper balance between the rights and the obligations of all the contracting parties. In this respect, the Understanding Regarding Notification, Consultation, Dispute Settlement and Surveillance negotiated during the Tokyo Round seems to us to be an adequate and appropriate framework for a response to this need.

4. The legitimacy of recourse to the Safeguards Clause must not be challenged once the objective criteria for its implementation are forthcoming. The countries having recourse to it must submit to the procedure for notification, consultation and multilateral surveillance which accompany the adoption of safeguards.

B. Trade in commodities

It should be pointed out that these products, which constitute a considerable part of international trade, have up to the present held only a marginal place in GATT's activities.

Yet this trade is a matter of considerable importance to the developing countries, where the economic outlook can hardly be called rosy.

As regards the way in which this trade in commodities operates, it might be said in rough outline that it is characterized by constant fluctuations in prices from one year to the next, and even from one week to the next, and that because of these fluctuations, the prices quoted for products such as cocoa and coffee today are nominally the same as during the years 1952-1956 (at current rates), whereas the prices of industrial products increased between 400 and 600 per cent over the same period!

While these fluctuations were for a long time regarded as the sequel to wild variations in production, thus obeying the law of supply and demand, nowadays everyone knows that they are accentuated, and indeed brought about, by international speculation and the stock-market manipulations against which the producing countries are impotent.

The very rare agreements on commodities signed by producers and consumers have proved ineffective because of the existence of international speculation, which cares little about the rules of a game established by governments which themselves do not intervene directly in the market.

Must we, as some people argue, allow the law of supply and demand to regulate a market where there is no actual connection between producer and consumer, where the steady fall in the prices of raw materials is accompanied by an increase in the price of finished products, and where the Governments of the consumer countries impose import charges of various kinds amounting to more than three times what is received by the producers of the raw materials?

I would like to take advantage of this moment on the podium at GATT to invite the CONTRACTING PARTIES, who embrace the principal trading nations in the world, to concentrate without subterfuge on the tragic situation of the producers of raw materials in general and agricultural products in particular.

What do we advocate?

1. We would like GATT to take a greater interest in primary commodities in order to encourage the balanced expansion of trade in these products for the benefit of all concerned. But we must point out that liberalization through the suppression of certain obstacles to trade will not bring about a satisfactory solution for the producing countries until such time as the international community agrees to pay fair and remunerative prices for these products, which are not the fruits of mere picking and gathering, but the fruits of heavy and costly labour. A fair price is that which covers production costs and payment for the labour involved.

2. It is essential that the negotiation of international agreements should effectively bring together the producers and consumers of these products, thus avoiding the middleman, whose main concern is to grow rich at the expense of both producer and consumer. Our experience in this field enables us to state that the interests of the producers and users of raw materials are for the most part convergent, contrary to what the speculators say.

3. A study should be undertaken by GATT on the excessively high import duties charged on primary commodities in the consumer countries with a view to reducing them and so encouraging trade in commodities by giving a new impetus to demand and improving to a relative extent the price paid to the producer.

4. In short, the Ministerial meeting should be the occasion for laying special stress on the fate of the developing countries at a time when the North-South dialogue is blocked in the United Nations and its specialized agencies.

GATT should take a close look, with a view to streamlining it, at the notion of non-reciprocity, of special, differential treatment in favour of the developing countries as provided in the Enabling Clause, so that these countries may be integrated genuinely into the system of the General Agreement, in respect of rights and obligations, but also of advantages dictated by their precarious situation.

Thus the CONTRACTING PARTIES should study the way in which Part IV of the General Agreement adopted as long ago as 1964 has been implemented with a view to promoting the trade of the developing countries. In this context, all the problems linked with the application of the Generalized System of Preferences should be reviewed so as to make the system more favourable to the largest possible number of countries.

Finally, to enable the developing countries to obtain greater benefit from the facilities offered by GATT, it is desirable that the technical assistance given by the secretariat to these countries should be strengthened as rapidly as possible and that new types of assistance should be worked out in conjunction with the beneficiary countries.

This is the message which the Ivory Coast is anxious to convey in the course of this important GATT meeting, in which we place great hope.

In order to take up the challenge of the present crisis let us, please, avoid the sterile game of institutional bickering and trying to score oratorical points, and let us turn responsibly towards realistic and mutually acceptable solutions which will lead our economies out of the rut into which they are sinking more deeply every day as a result of the present crisis.

The time has come, not for turning back on ourselves, nor for unilateral and individual measures, still less for obtuse selfishness. The time has come for inter-dependence and true solidarity, for decisions taken in common to seek a solution which will preserve the whole of our economic system. There is no dichotomy into rich and opulent countries on the one side and poor and needy countries on the other. The system must be a reflection of a sense of humanity in the growth stage, where men and women, whatever their colour or origin, are the ultimate goal of any development effort.

The Ivory Coast, following the lead of its illustrious Head, President Félix HOUPHOUET-BOIGNY, is ready to embark on the fruitful dialogue which alone can enable us, in a sober mood of serenity and involvement, to make a real contribution to peace and justice on this earth.