GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED
Spec(82)128
November 1982

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

STATEMENT BY H.E. AMBASSADOR ALIQUNE SENE, PERMANENT REPRESENTATIVE OF SENEGAL TO THE UNITED NATIONS OFFICE AT GENEVA

I shall begin by presenting the apologies of our Minister of Trade, who has had to remain in Senegal because of his duties in connection with the Fifth International Fair of Dakar (FIDAK), at which some forty-five countries are represented. The Dakar Fair is an act of faith which testifies to our firm determination to work for the promotion and development of international trade.

Allow me to take this opportunity to thank the representatives of all the countries which have kindly responded to our invitation.

Allow me also to congratulate you on your impressive selection to head this GATT Ministerial Conference.

I also wish to congratulate the eminent Director-General of GATT and all his collaborators, who have provided us with working documents of exceptional quality.

As some speakers have already stressed, the Ministerial Conference of trade officials should not be merely an isolated event, an emergency signal flashed during difficult periods such as that which we are experiencing today.

It would be desirable to hold meetings of Trade Ministers at reasonable intervals, as in the case of other ministerial gatherings which discuss vital economic and financial questions at the level of international relations.

The dislocation of world trade for almost a decade is an obvious, irrefutable fact, which confers upon our assembly signal importance and unprecedented scope as regards the subject-matter before us.

We are witnessing numerous events which strikingly reveal the serious challenges facing world economic growth and the multilateral trading system.

Consequently, it would be wise to address ourselves to the totality of what is covered by the word "crisis" if we wish to avoid aggravation of the situation, accentuation of the economic slump and the intensification of the resulting protectionist trends.

More precisely, as regards the General Agreement on Tariffs and Trade, which has played a major rôle in the liberalization of international trade, responsible for an expansion which served economic growth for almost three decades, it must be recognized that the Agreement is threatened by the protectionist measures being increasingly adopted by governments.

Obviously, if the protectionist barriers that are being systematically erected are allowed to remain, they are liable, sooner or later, to call into question the very existence of the GATT.

That is why our meeting is taking place at a crucial juncture for the future of world trade.

Hence, what is needed here is a critical, uncompromising analysis of the known facts of the problem in order to strengthen and revitalize the multilateral trading system.

The accomplishment of such a task is no doubt a risky venture which requires clear-mindedness and courage, a sense of solidarity and a spirit of co-operation from all the partners. It means that the desire for hegemony, from whatever quarter it may manifest itself, should give way to concentration on a footing of equality. Moreover, we must not lose sight of the fact that the world economic crisis affecting GATT is linked to financial and monetary questions, the energy of raw materials problem and various aspects of development - factors which we can cope with only at the level of international relations.

What is more, this interdependence of economic problems makes it our duty to engage here in an open and sincere dialogue, whether formal or informal, on the grave problems of world trade and on the possibilities of devising constructive solutions, consistent with the structure of GATT's competences. For, the present economic situation cannot be perceived as a passing phenomenon.

In fact, the persistence of economic stagnation, inflation, unemployment and recession shows that this is a profound crisis of a structural nature that calls for global solutions and an integrated approach which must take into account the interaction of such parameters as access to markets, equilibrium in balance of payments, remunerative and stable prices for commodities, and preferential treatment for developing countries.

In any case, in view of the multiple and varied dimensions of the crisis, everyone must acknowledge the fact that today's economic and trade problems cannot be settled in isolated or sectoral terms. We must also recognize that it is not possible to devise a new economic order which is frozen and immutable in a world where everything is in motion.

What we need is to devise a set of converging and dynamic measures to initiate the series of reforms required for world economic recovery. What-ever course events may take, there must be stages, adaptations, which will require constant efforts of creative imagination that looks at things from a global, planetary perspective which encompasses the aspirations and mutual interests of peoples and of the rich and less rich nations.

In that connection, my delegation can only deplore the slowness exhibited in starting the global negotiations usually described as the North-South dialogue.

Surely, there is no need to recall that those negotiations are, in the opinion of most of the members of the international community, an appropriate framework for dealing with the problems of the world economy in a coherent, equitable and lasting manner. In spite of the fact that the Versailles Summit adopted a positive attitude towards the opening of those negotiations, there has been no concrete change in the attitude of certain developed countries.

Yet, agreement to participate in global negotiations would constitute a tangible sign of the political determination of all the members of the international community to commit themselves firmly to strengthening world economic co-operation.

Although the road to global negotiations still seems beset with obstacles, that does not prevent us, whenever the opportunity arises, from trying to find remedies to urgent problems. It is in that context that my delegation approaches this Ministerial meeting of GATT, which it considers the first step in a set of future meetings designed to find solutions to the crisis in both its global and sectoral dimensions. For, it is no secret that at the core of the present crisis are to be found multiple economic tensions and conflicts which hamper the smooth functioning of the multilateral trading system. Admittedly, the system is suffering from numerous evils, of which the main one is undoubtedly the rise of protectionism, since protectionist pressures retard trade liberalization and structural adjustment, aggravate economic uncertainties, discourage productive investments and thereby serve to nullify all efforts to end the international economic crisis.

The intensity of protectionist pressures has set international trade adrift. The principal objective of our meeting should therefore be to take the most appropriate measures to put a stop to these hindrances, which have collective implications.

In view of that, all of us should commit ourselves, in unequivocal terms, to return to the principles, rules and disciplines of GATT. In addition, the main trading powers should take the necessary structural-adjustment action to enable them to make less and less use of protectionist measures.

Lastly, there should be a liberalization of international trade that enables the developing countries to find sufficient markets for their exports, to acquire the necessary resources to finance their imports and to cope with their grave balance-of-payments deficits.

This brings us straight to what is, in our view, the key to the problem: we refer to the growing rôle of developing countries in international economic relations. For, the remedies so far applied to overcome the international economic crisis have not produced wholly satisfactory results because they have not sufficiently recognized the rôle which developing countries are called upon to play in world economic recovery.

There is, of course, no need to stress that the crisis which is so seriously affecting the economies of the developed world has far graver, more extensive and more profound consequences for the economies of the developing countries, which at present are experiencing a very marked slowdown in their economic growth.

According to a report of the World Bank, real growth in the total gross national product of developing countries has declined from 5 per cent in 1980 to 2.2 per cent in 1981. As to oil-importing developing countries, their production growth rate is at its lowest level since the end of the Second World War, involving for the first time a fall in per capita output.

That shows how much the developing countries are suffering from this crisis, which is after all a crisis of development itself. For, the economic slowdown in our economies is accompanied by higher balance-of-payments deficits, erratic exchange-rate fluctuations, the negative effects of high interest rates on the servicing of external debt, growing difficulties of access to the international capital market, a substantial decrease of flows: of multilateral aid on favourable terms, the uncertain, precarious and insufficient character of food aid, and protectionist barriers which reduce export possibilities, to say nothing of the collapse of commodity prices or the serious deterioration of terms of trade.

It is, however, an increasingly accepted fact that accelerated development of the economies of developing countries can offer outlets for the economic machine of the industrial countries. The need to strengthen North-South trade, is today an economic imperative, to which GATT must give more attention in its programme for the future.

In any case, at the present time, in spite of the provisions of Part IV of the General Agreement and the enabling clause, developing countries are still suffering from an increasing protectionism which assumes subtle forms. Uncertain and limited access to export markets has slowed down their economic growth and reduced their ability to import.

Moreover, the obstacles which developing countries continue to encounter in the framework of GATT are due to a number of gaps in the General Agreement, namely: imprecise safeguard rules, individual quantitative restrictions, and non-coverage of agricultural problems.

Still, the developing countries accept the need and the usefulness of internationally agreed trade discipline provided that rights and obligations are respected in the light of the inequality in levels of development. In that connection, of course, the attitude of the industrial countries has not always been up to their promises.

We should like to emphasize, however, that the draft document arrived at by the Preparatory Committee after long and difficult negotiations contains many constructive elements that would improve the international trading system. Unfortunately, we have to note that there is no firm commitment to implement in their entirety Part IV of the General Agreement and the enabling clause according the developing countries differentiated and more favourable treatment.

What is more, the multilateral trading system constituted by the GATT will produce all the expected effects of reducing tensions and restoring confidence only to the extent that it promotes conciliation between contracting parties while avoiding the accentuation of its judicial character in the settlement of disputes.

With regard to the parts of the document dealing with agriculture, we believe that they constitute an important step in the search for ways and means of bringing agricultural trade under the multilateral trading system. We hope that the work programme in this area will make it possible to identify the measures which the developed countries must take to increase access of the agricultural products of developing countries to their markets, reduce tariff and non-tariff barriers, and stabilize export earnings, all in application of the provisions of Part IV of the General Agreement.

As to liberalization of trade in tropical products, we hope that consultations will lead to additional efforts to eliminate or substantially reduce customs duties on processed or semi-processed products, liberalize import restrictions still being applied and do away with internal taxes.

It goes without saying that such a mechanism for liberalizing trade in tropical products will, of course, have to make allowances for the specificity of certain markets.

I shall not end this statement without thanking the GATT secretariat for the efforts it is making in the field of technical assistance to developing countries.

It is our ardent wish to see those efforts continued in the future, in order to ensure a better participation of our countries in GATT's activities.

We shall conclude by saying that the declaration provides us with an acceptable basis for proceeding to a rectification of the international trade situation.

But such a declaration will be of value only if it is followed by positive deeds. In that connection, the big trading partners should, to say the least, faithfully apply the rules of GATT and try to bridge its gaps.

Lastly, it is of capital importance that the developing countries should benefit from the preferential and differentiated treatment they are accorded by the General Agreement.

The time has perhaps come to substitute concrete proposals for the vague and incantatory formulas associated with the old orthodoxy of Utopian liberalism, which too often leads to the crushing of the weak by the strong. Senegal, for its part cherishes the humble ambition of making its modest contribution here to the strengthening of the multilateral trading system in the conviction that only broad concertation may make it possible to determine the principles and perspectives, the dimensions and goals of the system, in short, the guidelines for action to be taken in GATT to attain them.

While world economic recovery depends on the revival of trade between the rich countries, it must also look to the indispensable economic growth of developing countries.

To arrive at a more just regulation of multilateral trade among nations and peoples, recourse must once again be had to dignified and civilized co-operation, instead of savage competition, to ensure the economic survival, development and prosperity of all the contracting parties.

For, it must never be forgotten that in the last analysis what is involved, over and above the contradictions that manifest themselves, are the growth of our economies and the political stability of our States, the well-being of men and women and social justice, world equilibrium and peace among nations; in a word, it is the future of a more close and more prosperous humanity which is at stake.