

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)132
November 1982

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

Original: English

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The hopes and aspirations of the people of Indonesia are linked inextricably to the ongoing development of an equitable world trading system. Our nation, as many of you here know, has achieved considerable economic and social progress over a relatively few years. But our ability to maintain the momentum of this development depends to a very large degree on access to foreign markets.

In moving ahead rapidly to meet Indonesia's development needs, our country has also emerged as a significant importer - buying machinery, equipment, technology and services on a multi-billion dollar scale. Those imports, I might note, are supplied mostly by the industrialized countries of Europe, North America and Japan. During the first six months of this year alone, Indonesia's imports of goods and services essential to our development rose in value by some 33 per cent. Yet our export earnings were off during the period by about 8 per cent. Our non-oil and non-gas exports were down even more sharply, by nearly 17 per cent. Clearly, for Indonesia to continue a high level of imports, our foreign exchange earnings must recover and increase.

My purpose in citing those statistics is to underline the growing interdependence of Indonesia and the industrialized countries of the world. Our experience is but one example of the growing mutual importance - indeed, the growing urgency - of pursuing successfully a global economic dialogue.

The foundations of the world trading system are being undermined on an ever-increasing basis. Indeed the GATT principles on which the international trading system was based are being called into question by some major developed countries and as a consequence also by developing countries. And unless we can reverse this trend, the entire GATT system will face collapse. This is clearly not a time for rhetoric but for responsibility and reason. It is time for a spirit of partnership to prevail among industrialized and developing nations to strengthen the international trading system. It is in this spirit of partnership that the Republic of Indonesia comes to this meeting.

We recognize in Indonesia that the task of reviving a world trading system wracked by recession and shackled by rampant protectionism will not be accomplished quickly nor without patience and compromise. But we feel that the starting point of our efforts should be reaffirmation that the fundamental principle of the GATT must remain progressive liberalization of world trade on a non-discriminatory basis.

A Ministerial commitment to this principle will establish the framework for tackling the lengthy agenda of specific and pressing issues before us.

Of these issues, Indonesia attaches the highest priority to reaching an understanding about the rôle, application and duration of "safeguards". We must do our utmost at this meeting to complete the negotiations on "safeguards", if the talks on this issue are to be more than just an empty intellectual exercise. Indonesia is among those nations which oppose the unilateral and selective application of "safeguards". We understand and accept why "safeguards" may be necessary - on a temporary basis - in cases of serious market disruption. But if temporary "safeguards" do not succeed in rectifying the difficulties that cause them to be invoked, then it is imperative that resort be made to structural adjustment and that "safeguards" be discontinued.

The whole issue of outright quota restrictions especially against so-called "low cost" countries parodies the spirit of the GATT - and in particular the recognition at the Tokyo Round of the need for preferential treatment to exports from developing countries. The Republic of Indonesia calls upon this meeting to reaffirm the principle of special and differential treatment for developing countries.

In the matter of quotas, we hope that particular attention will be focused at this meeting upon the Multifibre Agreement. The MFA was, of course, enacted as a temporary measure to permit restructuring by producers who are no longer competitive. We are anxious to talk about ways to return trade in textiles and garments to the rule of normal GATT discipline.

Removal of the obstacles to exports of agricultural commodities is also a priority issue. We endorse the establishment of a Committee within the GATT to deal with issues related to agriculture. We also support the position that the unfinished work of the Tokyo Round on the liberalization of trade in tropical products be completed.

Another matter of growing importance for Indonesia and other nations at a similar stage of development is the removal of obstacles to exports of processed raw materials. Over the past few years, our country has been moving away from almost exclusive dependence upon exports of raw natural resource commodities to a more advanced stage of industrialization.

This development of processing industries and our steps in establishing a healthy manufacturing sector will be the engine not only for further economic and social progress; it will allow our imports to rise as well. But we fear that the engine of progress could be shunted to a siding because of protectionist barriers to our exports of processed and semi-processed products.

Another important issue that we would like to emphasize concerns the GATT rules and activities relating to developing countries. We urge the contracting parties to do their utmost to implement more effectively provisions contained in Part IV of the GATT, particularly the implementation of special and differential treatment for developing countries.

I would like to express the hope that in seeking resolution of the many outstanding issues before us there will be the widest possible participation by developing countries in the work of GATT following this meeting. I also hope there will be broader participation in any future MTN talks.

The fact remains, however, that agreement upon even the most equitable and far sighted trading rules will be of little effect unless the international economy can be revived. In this, the nations of the developing world can do little on their own. We do, though, urge that our developed partners in the community of trading nations adopt policies that will promote a prompt resurgence of world-wide economic growth - and world trade.

Only a short distance from here, talks have been going on to improve the prospects for maintaining peace through strategic arms reduction. Our mission at GATT is more immediate - to prevent the escalation of a war in which the first skirmishes are already being fought, a trade war.

In conclusion, therefore, let me reaffirm the commitment of the Republic of Indonesia to the strengthening of an equitable world trading system within the GATT.