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STATEMENT BY THE HEAD OF THE DELEGATION OF THE PEOPLE'S REPUBLIC OF BULGARIA

Relative to the size of its economy and foreign trade, Bulgaria is today among the more active international trading partners. The ratio of exports to national income is approaching 40 to 100 with a tendency of constant increase. Hence Bulgaria cannot but be keenly interested in multilateral efforts to ensure a positive evolution of international trade such as the present GATT Ministerial.

The open nature of Bulgaria's economy has evidently exposed it to the whole range of negative effects from the world economic crisis. Still in the course of the past several years the national economy has been undergoing sustained adjustment to the new international economics. A degree of such adjustment has already been achieved both on internal and external account - sufficient growth rates with full employment and price stability, coupled with surpluses on current account and in the balance of payments as a whole. One effect of this has been the continued increase in foreign trade at an annual overall average of over 8 per cent. It is also notable that along with dynamic growth in exchanges with the Soviet Union and other socialist countries, we have been registering steady increases in both exports and imports with partners who are contracting parties to the GATT.

One of the principal factors for the adjustment achieved has been the on-going reform of economic policies and mechanisms. These inter alia have made for more active involvement of economic operators in international trade. An important integral element of the said policies and mechanisms has also been the new customs tariff system introduced in 1981. Tariff rates have thus increased in importance as a key variable influencing purchasing decisions by importers.

Thus at present Bulgaria finds itself at an intermediary stage of economic development - the only country both donor and beneficiary under the GSP in correspondence to its actual position in today's international economy. It has also held observer status in the GATT since the latter

sixties and has fully participated in the MTN. It is from the above points of departure that we would like to briefly voice our observations on the major issues concerning this Ministerial.

For any such forum as the present one to be truly effective it must fully provide for equitable and open participation by all parties concerned and interested without prejudice due to formal affiliation to a particular organization. The overriding importance of this principle was shown in the course of the MTN. Bulgaria's example we believe was indicative in this regard in so far as it was one of the countries to introduce the broadest and most prompt tariff cuts under the Swiss formula and was actually the first country to fully implement such cuts in the course of 1981. They were backed up by the unilateral incorporation of the new customs valuation procedures in the updated customs tariff scheme even without Bulgaria's formal accession to the relevant Code. Any suggestions therefore of somehow limiting participation in any follow-up action engendered by this Ministerial to our mind would be unfounded and unacceptable.

Of equal concern to Bulgaria is the preservation and enhancement of the multilateral mechanisms in the areas of safeguards and dispute-settlement procedures. We have unequivocally demonstrated our readiness to achieve and maintain an equitable balance of rights and obligations in these areas taking fully into account any procedural consequences connected with a given country's status as a non-contracting party to the GATT. In particular such readiness was manifested in the course of negotiations on Bulgaria's accession to the Code on Technical Barriers. Yet we have so far been denied just such equitably balanced treatment by one particular group of countries which have in fact made proposals circumventing the mandatory multilateral nature of dispute-settlement procedures under the code. Still we stand ready for yet another effort at reaching agreement.

And finally it should be recognized that the future viability and dependability of the multilateral trading system is today being most seriously jeopardized by unilateral action in breach of basic GATT principles and obligations motivated by factors wholly outside the purview of the GATT. It should also be equally evident that the degree to which GATT mechanisms and rules are seen to be effective in defending the legitimate rights of one country cannot but influence attitudes as regards closer co-operation with the GATT.

May I in concluding once again assure you of Bulgaria's continuing resolve to make its proportionate contribution to the further mutually beneficial and equitable evolution of the international trading system.