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As other speakers before me have underlined, this meeting of the CONTRACTING PARTIES at ministerial level takes place at a crucial moment.

In fact the persistence of the world economic crisis which is affecting developing and developed countries alike, calls for special concerted efforts to overcome it.

It is in difficult times that the ideas and the institutions have to show their soundness. The holding of this meeting is in itself a clear demonstration of our determination.

I am confident that we would be able to translate this determination into concrete positive results.

The present situation of crisis is not a mere conjunctural phase, it shows wider and deeper problems in which structural factors are playing a decisive rôle.

Free trade which is a result of the multilateral trading system established in the late forties and the principles and rules embodied in GATT soundly accounted for the prosperity of the last decades but are now severely affected by a profound change of the background conditions to trade, namely of economic and monetary nature. These changes, in the general economic and financial situation, have eroded the free trade consensus on which GATT is based, as conjunctural trade measures alone are no longer able to reverse the situation. They may, of course, help in bringing about the time needed for the structural changes, provided that they are temporary, transparent and taken inside the framework of the General Agreement.

I consider that the proper answers are not to be found in renewed pledges of old commitments that with alarming facility and frequency we fail to honour.

The incompatibility between declarations focusing the need for greater freedom of markets and intensified global competition and the increasing use of all sorts of restraints and barriers to trade, serve no useful purpose.

This incompatibility - as it sends disturbing signals to the business community - is the source of new stresses and strains for more restrictive measures and practices, thus jeopardizing efforts deployed towards the re-establishment of more global equilibriums.

It is necessary to resist these tendencies to focus inward and to isolate the domestic economies from external "adverse" influences.

It is understandable that all of us be attracted by such policies but it is nevertheless essential to reverse this trend and to conciliate what we would like to do with what we have to do under the pressure of the prevailing economic and financial conditions. Otherwise the so-called temporary measures will become permanent measures. In this context the policies - and the responsibilities - of the major trading nations are of paramount importance since their economies are able to act as locomotives to pulling the world economy forward.

The responsibilities of the major trading nations are extremely important since free trade has become vital to the social and economic development prospects of many developing countries and also of many countries, as it is the case of Portugal, that have a large tradition of free trade and whose economies are significantly dependent on the external exchanges.

Still in this context, I must stress that the damaging effects of restrictive measures imposed by the major trading nations bear no proportion to those introduced by other countries. However, a chain reaction of retaliation measures would cause a severe deterioration to the international trade relations and further increase economic uncertainty that would not spare the major trading nations.

The success of our meeting will ultimately depend on our ability to reach agreement on a general common position and to translate it into coherent signals to the business community and to our social partners, thus making it easier to accept the unavoidable social costs that all structural adaptations imply.

An approach to tackle the present situation should be drawn along three main driving ideas:

First, we should not abandon the GATT free-trade philosophy which has shown important potentialities and achievements;

Secondly, without jeopardizing the objective of free trade we should humbly accept that under the prevailing conditions some temporary derogations to the purity of the concept have to be accepted as facts of life. Instead of ignoring them we should regulate them in a way that nucleates development towards re-establishment of normality.

Thirdly, we should use the time bought by these derogations to attack in a common effort the background economic and financial conditions. And when I say we, I mean developed and developing countries alike as well as international financial institutions.

I would like now to address some issues of special importance which, during the preparatory phase of this meeting, have been in the very core of the discussions.

We recognize the need and the urgency of finding a comprehensive solution on safeguards. An eventual and reasonable solution must entail the abandonment of practices applied outside GATT disciplines and, on the other hand, must be based on an adequate and harmonious compromise among the different interests in presence. Therefore we do not rule out selectivity as an admissible alternative as long as its application be subjected to the compliance of strict rules to defend legitimate interests from unjustified discrimination.

Regarding agriculture a pragmatic approach should be chosen. In the present circumstances, the accent should be put on an increased multilateral co-operation through the establishment of an agricultural committee. We think that a better understanding of the existing problems will certainly lead to new perspectives for mutual advantages.

On the dispute settlement procedure we should like to underline the importance of the political will to accept and implement the conclusions reached. We admit that the existing conciliatory mechanisms may be improved, but this should not bring about any heavy new procedures of no practical help for the contracting parties.

The great importance of the non-ferrous mineral and metals sector for a considerable number of countries, namely to Portugal, makes it particularly relevant to develop all actions directed to eliminate the present obstacles affecting this sector.

Finally, I should like to refer to the relations between the developed and the developing countries. This is one of the key issues of this meeting. We recognize that trade, although important, is neither the only element nor an independent variable for solving the problems of the developing countries and even more so of the least developed ones. The North/South relations cannot be viewed only in the narrow perspective of trade expansion. It is, however, in the interest of us all that the developing countries increase their export earnings.

On one hand measures have to be taken not to create additional difficulties to the developing countries and, on the other hand, the responsibilities of all countries have to be proportional with its degree of development. This would lead to intensifying trade flows in both directions for the advantage of all concerned.

Interdependence and solidarity are thus in the core of any new global trade conception. Solidarity must be regarded not as charity but as the mutual advantage of working together in the pursuit of common beneficial goals for which GATT has a fundamental rôle to play.

Finally, GATT must stress more and more its universalism in terms of membership and full participation opening itself to new countries under reasonable terms.