

GENERAL AGREEMENT ON

SR.43/ST/28

4 January 1988

Limited Distribution

TARIFFS AND TRADE

CONTRACTING PARTIES
Forty-Third Session

Original: English

YUGOSLAVIA

Statement by H.E. Mr. Ranko Radulović Assistant Federal Secretary for Foreign Trade

In the year which marks the 40th anniversary of the General Agreement on Tariffs and Trade and over a year after Multilateral Trade Negotiations were launched with great hopes and expectations, the overall economic situation and prospects for international trade are not favourable.

Economic problems and imbalances persist in most countries, but are particularly pronounced in the developing ones. This could have an impact on the negotiating process in the forthcoming period. It is indispensable therefore to make all the efforts possible to ensure an adequate contribution by GATT towards accelerating economic growth and development worldwide. In the longer term these efforts should be supported also by the results of the ongoing Uruguay Round. At present, the main purpose of the negotiations is to enable the participants to contribute to the creation of greater security for growth of the world economy. In this context, we attach great importance to standstill and rollback commitments.

This is all the more important in conditions of an increased interdependence of monetary and trading systems and of recent world-wide stock market crashes and their repercussions.

Having in mind the problems my country is facing, and without going into the principal features of the present situation, I would like to underline in particular the problem of indebtedness of many developing countries. These countries are increasingly forced to reduce their imports considerably at the expense of their growth and development. The huge long-running decrease of imports of highly-indebted developing countries has had an adverse effect on international trade. This diminished the impact of market forces not only in countries restricting their imports but also in potential exporting countries.

Yugoslavia faces serious difficulties in its exports, primarily as a result of various restrictive measures including those outside GATT rules. The structure of our exports is largely concentrated on so-called "sensitive" sectors of our developed trading partners such as textiles, iron and steel products, tools and agriculture.

./.

In the agricultural sector, the very limited possibilities of access to foreign markets, low prices and general disruptions in international markets are, in our view, primarily due to agricultural policies of the major trading partners. The effects of these are felt not only in international markets but also in the production and markets of less-developed agricultural producers. At the same time, many developing countries, including and especially the poorest among them, have a serious problem in feeding their populations. Therefore, in the negotiations GATT is faced with a substantial challenge: to achieve the expected and indeed necessary results, bearing in mind the interests of all contracting parties.

We are deeply concerned with the state of international trade relations, the unchecked protectionist pressures in spite of the ongoing trade negotiations, and especially with further recourse to bilateral solutions for trade disputes. In most cases, bilateralism proves to be distortive to the interests of other countries.

I would like to draw the attention of contracting parties in particular to our firm belief that in multilateral trade negotiations no-one can expect to resolve his own problems only, and that the results can only be achieved within the envisaged timeframe if the interests of all participants are taken into account.

For example, we find it difficult to understand how the objectives of negotiations can be attained in the interests of all participants if the principle of special and differential treatment for developing countries is not effectively implemented in all areas covered by negotiations. The developing countries experiencing balance-of-payments difficulties are, for instance, called upon to adopt solutions for situations in which they apply measures for balance-of-payments purposes with the aim of strengthening discipline and making these measures time-limited. At the same time, everyone is aware that most developed countries have for decades been protecting the sectors - like textiles and clothing - in which they are losing comparative advantage.

Taking into account that the Punta del Este Ministerial Declaration represents a balanced document that was the result of careful negotiations, we deem it necessary to respect it in all its component parts, including that the mandate for the negotiations as contained in the Declaration should not be altered.

Despite the difficulties confronting the world economy and international trade, which could worsen in the coming year, we trust that the efforts being invested in the Uruguay Round will not be in vain, and that GATT will succeed in fulfilling the expectations of all who believe that it can be an uneroded centrepiece of the international trading system. We are strengthened in this belief also by the fact that many developing countries have expressed the desire to join the GATT and to participate in the Uruguay Round.