

# GENERAL AGREEMENT ON

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## TARIFFS AND TRADE

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CONTRACTING PARTIES  
Forty-Fifth Session

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### EGYPT

#### Statement by H.E. Dr. Nabil Elaraby Ambassador, Permanent Representative

This meeting represents the fourth, I believe, in a series of CONTRACTING PARTIES meetings since the launching of the Uruguay Round in 1986. In previous meetings light was shed on various issues, evidently with varied degrees of intensity commensurate with the importance and the novelty of some of the issues.

Now, when areas of agreement and disagreement have been identified, we feel that we are entering the final and most crucial year of negotiations. My Delegation would find it appropriate to outline a few brief remarks of a general nature pertinent to the situation.

The Mid-Term Review conducted by the Trade Negotiations Committee represents the major landmark among the events of the last twelve months. It has given the Uruguay Round a sense of direction and raised the level of expectation of all the participating countries. However, the way in which subsequent negotiations have unfolded has raised some concerns on the part of many of us because we have noted that the attained progress tilted mainly in favour of the new areas in the negotiations.

Developing countries realize the importance of these negotiations and are participating in it positively and actively - to the best of their abilities - on all subjects with the hope that eventual results of the Round would contribute to the expansion of their exports and their development efforts and would not only aim at conferring additional obligations on their economies. The concept of the integration of developing countries into the GATT does not only mean further burdens but also more efforts on the part of the GATT system as a whole, in collaboration with other financial institutions, to solve the problems of developing countries particularly those indebted among them. Section "A" of the Punta del Este Declaration defines the objectives of this Round and we should not lose sight of what they are. Also, part "B" of the Declaration identifies differential and more favourable treatment as one of the general principles governing the negotiations.

With regard to specific negotiating subjects, I would also like to make some brief observations.

In the area of tariff and non-tariff measures negotiations, progress has been lacking; however, it has to be recognized that there are some developing countries which are in the process of transforming their import régimes towards favouring the use of price-based measures rather than physical restrictions on imports, such countries would need adequate flexibility in their tariff structures and therefore could not be committed to the application of a tariff cutting formula.

The importance of trade in textiles and clothing to Egypt can never be overstated. We believe it is imperative that such trade will be liberalized through the "eventual integration of textiles into GATT". In this context, developing countries members of the "International Textiles and Clothing Bureau" met in Alexandria from 6 to 10 November to discuss issues of common interest and have issued a communiqué which expressed:

- disappointment for lack of progress in the negotiations;
- that a strong political will and commitment were essential to achieve the agreed negotiating objectives;
- that the process of integration of this sector into GATT should commence on 1 August 1991 upon the expiry of the present MFA, and that this integration should result in greater liberalization and expansion of export earnings of developing countries; and
- there was serious concern about the use of additional selective measures to intensify protection against textiles exports of developing countries.

In the negotiations on agriculture, we have consistently been stressing that these negotiations should result in specific measures and commitments at both bilateral and multilateral levels -- agreed in the Uruguay Round -- and implemented as appropriate in co-operation with international financial and development organizations, to take into account the possible negative effects of the reform process of agriculture on net food importing developing countries.

With regard to the negotiations on the two new areas of "Trade-related investment measures" and "Trade-related aspects of intellectual property rights", there is a need to realize that such issues are closely related to industrial and technological development efforts in the developing countries and consequently the national systems in the developing countries will always have to give priority to such considerations and therefore one should avoid, in our view, expressing the sole interests of market operators.

In the Negotiating Group on GATT Articles, there are renewed attempts to question the balance-of-payments provisions of Article XVIII:B. This is a matter that causes great concern on the part of developing countries particularly those which suffer balance-of-payments difficulties.

In this connection my Delegation would like to welcome the decision by Korea to disinvoke Article XVIII:B which amply proves that this Article is very well serving its purpose.

With respect to the negotiations on services, we believe that progress is being achieved, yet there is still much to be desired in terms of integrating the development dimension in the multilateral agreement on trade in services. We look forward to having a real development-oriented agreement, and that the development dimension be an integral part of any future agreement, and not merely an afterthought.

Finally, the debt problems of developing countries call for more and effective co-operation between GATT and financial and development institutions. These efforts should be geared towards helping developing countries in their efforts to overcome their present difficulties, so they can eventually be really integrated in the world economic system.