

# GENERAL AGREEMENT ON

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## TARIFFS AND TRADE

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### COLOMBIA

#### Statement by H.E. Mr. F. Jaramillo Ambassador, Permanent Representative

It is a year since we met in Montreal for the Mid-Term Review of the Uruguay Round. We have now, chronologically speaking, done three-quarters of our journey. Even though we are not represented at ministerial level, this meeting is nevertheless an important one. The year 1989 has been one of great significance for the contracting parties, not only in terms of the work done within the Council and GATT's permanent bodies, but also because of the historic events now taking place and the developments in the Uruguay Round.

Some of the speakers who took the floor yesterday have already referred to the progress made since the Mid-Term Review. I agree with those who pointed to the imbalance between the advances in the areas of interest to the developed countries and in those of concern to developing countries. My delegation already expressed its concern about this at the meeting of the Trade Negotiations Committee in July of this year. Although it is true that in the past few weeks nearly all of the Groups have been very active, we still note with concern that some Groups, such as the one on tropical goods, which is not scheduled to meet again until February, have not made one millimetre of progress since Montreal, despite the proposals of a number of developing countries designed to see that the decisions taken in Montreal are put into effect. Unfortunately, we developing countries cannot afford to turn our backs on proposals submitted in other Groups in the way that the developed countries have done with the proposals we have submitted on tropical goods.

The Ambassador of Jamaica said yesterday that he remained optimistic and felt it was possible to correct this tendency. I am an optimist too, and I hope that this can be done soon, so as to avoid, a crisis in the negotiating process in the months ahead.

Turning to another of the topics I mentioned at the outset, my delegation cannot but welcome the dynamic pace taken by the "normal" work of GATT: the efficiency demonstrated at Council meetings, the improvements in the dispute settlement system and the new prospects that will open up in a few days with the start of the trade policy reviews.

A great deal of ground has been covered since, at the meetings of senior officials prior to the launching of the Uruguay Round, my

delegation first pointed to the asymmetry in this area between developed and developing countries: it was always the latter who consulted under the Balance-of-Payments Committee, whereas the developed countries never did so.

There is no doubt whatsoever that the new dynamism in GATT's normal work is to a large degree attributable to the favourable influence of the Uruguay Round - and this is one of the Round's first positive results.

We cannot fail to mention the historic events currently taking place, which will certainly have an effect on our work.

We are seeing how Great-Power politics will open up new prospects for the world economy. Walls that were indestructible a few months ago are beginning to crumble; and the European economic panorama is part of this process. Yesterday the representative of the EEC told us of new agreements, not only within EFTA but also with the countries of Eastern Europe. We are the first to welcome these developments; we hope that the assurances given by the EEC's representatives that they will not divert the Community from its commitments to the multilateral trading system will be borne out by events when we meet again in Brussels next year.

However, as the representative of a developing country, I continue to wonder whether our multiple problems may not now have dropped down a place in the scale of priorities of the industrialized countries.

My entire country, led by President Virgilio Barco, is carrying out an all-out, open and head-on war on drug trafficking. The battle is being waged throughout the entire chain of supply, beginning with production and going right through to the processing and distribution of narcotics. At the other extreme, on the demand side, there is consumption, centred in developed countries, particularly the United States.

Leaving aside the socio-political aspects of this war, in economic terms we come face to face with a reality that is simple in theory but complex in its practical expression. The first aspect of this reality is that demand creates its own supply. The second, its expression in practice, has an astounding variety of pernicious effects on the economies of Andean countries, including the Colombian economy. Through the operation of relative prices, avid consumer demand foments narcotics production, displacing the crops that have traditionally fed the population, as well as other crops of the highest importance for generating exportable surpluses and foreign exchange to finance development. The drug economy artificially raises prices and distorts domestic market signals, thereby adversely affecting resource allocation. At the budgetary level, for example, the Colombian Government has made larger allocations in order to strengthen the military and police forces that are combating drugs, including military intelligence efforts. It has also asked Parliament to increase the national debt in order to finance this war, which is both our own and not our own: it is the whole world's, for a world without drugs and for healthy young people, free from drugs.

How, then, is the war against drug trafficking related to the multilateral trading system?

In a very simple manner: Colombia is without doubt an economically and politically viable country. But in a world-wide, global and interdependent economy such as now exists, we need trading partners who will buy our products for what they are worth, in a market free of both qualitative and quantitative restrictions. For this reason, we support accelerated liberalization for developing countries, of tropical goods, which include some of interest to Colombia. In domestic matters, we firmly support the granting of special and differential treatment in agriculture, for without domestic support policies, we cannot keep drug production at bay or raise the standard of living of our rural population, especially in the isolated regions that our rough terrain creates. But come what may, our country will continue to be a viable economy, integrated into the multilateral system and convinced of its benefits: it is a process which we firmly support.

Just as the world today has an appointment with history - and I am sure that it will not let this opportunity pass by - the multilateral trading system represented by GATT today has a challenge far greater than the one it faced when the Uruguay Round was launched: it must find a way of dealing with the new trade circumstances arising from the political liberalization we are now witnessing.

This challenge cannot be met as long as the problems of the developing countries continue, as before, to be treated as marginal and dispensable, as something that can always be left until tomorrow.