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Held at Headquarters, New York,  
on Tuesday, 7 July 1998, at 4.30 p.m.

President: Mr. SOMAVIA (Chile)

later: Mr. FULCI (Italy)  
(Vice-President)

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The meeting was called to order at 4.40 p.m.

MARKET ACCESS: DEVELOPMENTS SINCE THE URUGUAY ROUND, IMPLICATIONS, OPPORTUNITIES AND CHALLENGES, IN PARTICULAR FOR THE DEVELOPING COUNTRIES AND THE LEAST DEVELOPED AMONG THEM, IN THE CONTEXT OF GLOBALIZATION AND LIBERALIZATION (continued) (E/1998/50 (Sect. 2) E/1998/55)

Mr. MABIKA (Gabon) said that recent events affecting the international markets had slowed his country's economic growth. Although the structure of Gabon's international trade, based on the export of a limited number of raw materials and the import of manufactured goods, had not varied in recent years, the country had undertaken a series of reforms designed to diversify the economy. To that end, it was developing new products and finding new trading partners; the private sector was being expanded and the structure of government was being reorganized to provide an appropriate framework for encouraging new export industries.

The reforms, however necessary, had not succeeded in making Gabon competitive on the international market owing to the limited number of exports. With an unskilled workforce and no appropriate infrastructure, Gabon lacked the basic conditions necessary to attract investment in its productive sector. Efforts to overcome those shortcomings were hindered by the allocation of 60 per cent of the country's income to servicing the external debt, thus linking market access to an adequate solution of the debt problem. However, with the higher interest rates rescheduling the debt might even worsen the problem. Gabon's case was atypical and its debt required preferential treatment, similar to that accorded to other countries making comparable adjustment efforts. The criteria of per capita income tended to hide disparities that the human development index had revealed: Gabon was 74th on the list of 174 countries rated by GNP while it was 120th according to social indicators.

Gabon was putting in place the means to open up to the world economy and had committed itself to apply the new rules of international trade. It urgently sought the international community's support for its nascent industries, access to the facilities granted by WTO under regional agreements, together with coordinated technical assistance to enable it to conform to international

standards of production and environmental protection. The industrialized countries should review the tariff barriers affecting certain products from developing countries and the liberalization of world trade should be developed under conditions that ensured fairness for all economies and provided market access to all developing countries.

Ms. RODRIGUES (Mozambique) said that peace and stability coupled with international assistance had set the stage for economic and social growth and development in her country. However, resources were still required to address the social problems inherent in economic reforms and the issue of gender inequality.

International trade was a powerful instrument for development and poverty eradication. Consequently, market access by developing countries, had to be assured. A new global partnership between all sectors of society was necessary to advance sustainable development strategies that put people at the centre of development. Industrialized countries should support the efforts of developing countries to integrate the world economy by providing assistance for capacity building and development of value-added exports, as well as market access. Unilateral measures that affected exports from developing countries and violated the spirit of the Uruguay Round agreements must be avoided.

Mozambique recognized the crucial role of regional trading agreements as a complement to the multilateral trading system and was engaged in strengthening such an agreement in the context of the Southern Africa Development Community. The Community was working with other regional groups to explore ways of increasing market access.

The burden of external debt continued to cripple the economic and social development efforts of developing countries. Mozambique had just been admitted to the Heavily Indebted Poor Countries Debt Initiative, and was awaiting its implementation in 1999 to observe its impact on the Mozambican economy. She recommended that a mechanism of special assistance be established for countries emerging from conflicts. Her Government believed in a global solution to the debt problem whereby the debts of developing countries would be written off unconditionally. The Bretton Woods institutions should be encouraged to look into new and more flexible approaches to the developing world's debt problem.

Mr. POTANC (Romania) paid tribute to those who had established multilateral rules to ensure the predictability of the international trade

system and give producers and exporters a stable and transparent framework for developing activities. The fact that agricultural products, textiles, clothing and services had been brought inside the multilateral trading system during the Uruguay Round was of crucial importance, especially for developing countries. Also, it was commendable that they had been given an opportunity to opt for a differentiated, more favourable treatment.

However, developing countries and those with transition economies were still faced with the challenge of deciding, for example, whether new industries should be protected or whether competition should determine the shape of the economy. In this context, the technical assistance provided by the United Nations system was important to strengthen their export capacity and negotiating ability.

When the former regime in Romania ended in 1989 the country had a hyper-centralized economy with no private sector; however, it had a cheap, semi-skilled workforce, a clean environment, no foreign debt and was determined to establish a market economy and regain its place in Europe and the world. To this end, it mobilized the nation's physical and economic resources in order to accelerate privatization, devise incentives for foreign investors and restructure the industrial sector.

Romania avoided the temptation to be protectionist and decided to use competition to improve the quality of its products. He considered that the real challenge for countries like Romania was choosing the best mixture of liberalism and protection of the national interests. His Government considered that the best way to avoid conflicts and enhance development was to ensure that the principle of multilateralism governed all negotiations under WTO, an organization with over 130 members at diverse stages of economic development.

The WTO was meant to be a forum for continuous negotiations and Romania had been present at the most recent negotiations on telecommunications, financial services and liberalization of information technology products. At the same time, it was strengthening the export capacity of its companies with the technical assistance of UNCTAD and other organizations.

Romania was also engaged in the European regional integration process. It believed that regional integration, when based on the rules and principles of the multilateral trading system, was convergent with multilateralism and could be used as a way of increasing the scope of liberalization under WTO.

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Mr. ORJONIKIDZE (Russian Federation) referred to the joint UNCTAD/WTO report and its assessment of market access conditions for both developed and developing countries, especially in those sectors with the highest level of tariff and non-tariff protection. The decrease in tariffs since the Uruguay Round had allowed fairly high rates of growth in international trade, and there had been progress on specific trade agreements relating to information technology sectors. However, there were still serious barriers to market access for many basic products that form the bulk of exports from developing countries and economies in transition. Also, anti-dumping practices and countervailing measures continued to be used, many times unfairly, to protect national markets.

To achieve further progress in implementing the Uruguay Round, WTO should be transformed into a genuinely universal organization. There were still 30 countries, including Russia, who were not members and therefore unable to enjoy the advantages of a multilateral trade regime. Russia was working intensively to resolve issues concerning its membership in the Organization. It believed that membership would also benefit its trading partners since they would have more stable and predictable terms of trade. It was hoped that the next round of multilateral trade talks would be open to all interested countries, irrespective of the status of their applications for membership of the WTO.

Russia had special preferential mechanisms for regulating its trade relations with developing countries and had radically liberalized its trade regime; however, it faced serious problems of access to international markets due, it seemed, to delay in recognition of its status as a market economy.

Mr. JARAMILLO (Colombia) stated that the Uruguay Round had been expected to bring tangible economic benefits to the developing countries, including his own: increased exports to the developed countries and fairer treatment of their products in those markets. It had certainly increased world trade and led to the creation of the World Trade Organization, which had added the services and intellectual property sectors to its responsibilities. The dispute resolution mechanism had given that organization more credibility, and it was often used by the developing countries. In addition, tariff levels had significantly dropped.

Despite those gains, Colombian exports had not significantly increased. Although tariff levels had dropped, non-tariff measures were being used with increasing frequency and were becoming barriers to trade, a problem which would have to be studied in greater detail. Tariffs on goods especially important for the developing countries, such as textiles, agriculture or leather goods, had been left to the last phases of tariff liberalization, and were still characterized by tariff peaks and tariff escalation. The wealthy industrialized countries continued to support their agricultural industries at the expense of the countries which could be competitive under normal circumstances.

Colombia had concentrated its free trade efforts on regional trade and integration agreements with the Andean Community, Chile, Mexico and the Caribbean, the Southern Cone Common Market (MERCOSUR), Panama and Central America, which seemed to be most effective in promoting both rapid export growth and the opening up of its domestic market. It also intended to participate in the Free Trade Area of the Americas. Trade had continued to grow and the Andean Community had become its third largest trading partner after the United States and the European Union. Those efforts to increase regional trade had been undertaken in conformity with the standards established by WTO.

His delegation was ready to fulfil its international obligations in further negotiations, either as a follow-up to the Marrakech Agreement or in a new global round of negotiations. He was quite aware of the importance for the developing countries of the 1994 negotiations in the areas of agriculture and services. However, since tariffs were the only means available to the developing countries to protect their essential agricultural sector, the industrialized countries would have to make greater efforts to reduce subsidies and export support. He recognized that great efforts had been made to liberalize the services sector, for example, telecommunications and financial services, which were of great interest to the industrialized countries. Similar efforts should be made in the areas of movement of persons, maritime transport and recognition of diplomas and professional qualifications.

The new agenda should include effective work on the environment, the facilitation of trade, competition policy and electronic trade, sectors in which the developing countries would require the technical support of the UNCTAD and WTO secretariats if they were to play a positive role in any negotiations. He

stressed that the new agenda should be a positive one from which the developing countries could derive real benefits.

Mr. MIMICA (Observer for Croatia) said that increasing globalization required a greater commitment to trade liberalization from all the countries of the world. The challenges of interdependence and increasing cooperation had made economic integration schemes the crucial element of most countries' long-term growth and sustainable development strategies.

Although globalization and liberalization had resulted in increased trade, and financial and capital flows had increased, the gap between developed, developing and transitional economies was still too large. Greater foreign direct investment, more technology transfers and, above all, improved access to developed countries' markets for developing countries' products, were necessary. Protection of those markets affected both the developing countries and the economies in transition.

There was a clear link between trade and growth, and the steady development of a global multilateral trading system based upon core principles such as non-discrimination and predictability had demonstrated that liberalization allowed countries to pursue their individual national economic goals and at the same time have positive input in the global marketplace. Nevertheless, more effort was needed to reduce the marginalization of the least developed countries and enable them to share in the benefits of liberalization. Supply side problems which particularly affected the least developed countries required additional measures beyond those included in existing special and differential mechanisms.

Since the introduction of its stabilization programme five years earlier, his Government had made progress in modernizing the economy. It had abolished most trade restrictions, brought the customs tariff regime into full conformity with WTO rules, and dismantled quantitative restrictions on imports. Steps were also being taken in the areas of intellectual property, taxation, technical barriers to trade, amongst others, in conformity with international rules and practices. All sectors of the economy had not yet adjusted to a full competitive environment but the problems of the current account deficit and unemployment were being addressed by new economic policies and the Government was determined not to apply restrictive measures in an attempt to reduce its

import and trade deficit, choosing instead to direct its efforts towards measures to promote export growth.

As a WTO observer, his delegation shared the concerns of many candidate countries with regard to the somewhat lengthy accession procedure and hoped that the process could be completed before the new round of multilateral negotiations, by mid-1999, so that it could participate fully in shaping a new global trade agenda. While agreeing that every applicant should adhere to all multilateral rules and obligations of the WTO legal system, he believed that each candidate should be evaluated in the light of its specific level of economic and social development. His delegation had repeatedly expressed its readiness to assume all the core obligations and rights deriving from the Marrakech Final Act, thus proving in practice its willingness and preparedness to liberalize its market and accept its obligations.

He understood the importance of admitting the remaining large trading partners to WTO. However, the multilateral trading system must give equal treatment to all, regardless of size, including the economies in transition, the developing and the least developed countries. He therefore urged all trading partners and members of WTO to adopt a balanced approach to candidate countries in deciding the timetable for their accession. Since 35 countries were applying for membership, he hoped that the process would be accelerated so that the new members could participate on an equal footing in future rounds of negotiations. Accelerating and simplifying the accession procedure would generate greater coherency within WTO and better prepare the future liberalization of world trade. The fact that candidate countries were being asked to assume obligations which went beyond those accepted by many of the current members during the Uruguay Round, proved their commitment to trade liberalization and their desire to participate in the future agenda.

Finally, he stated that increased overall trade was not sufficient; the benefits of that increase must be shared equitably by all.

Mr. LUNDE (Norway) cautioned that globalization had made the world more complex, opening more channels of information, communication and trade, thereby adding many more questions and issues to the agendas of the world's institutions, but that did not guarantee the participation of all countries. One of globalization's most important challenges was the continued marginalization of the least developed countries. Their share of world trade

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was less than 0.5 per cent, market barriers were highest for their most important exports, and that situation was being aggravated by reductions in official development assistance.

Yet, globalization could and should become an important instrument for the developing world, including the least developed countries, if three challenges were met. First, the developed countries, as trading partners, must better manage the globalization process and improve access to their markets for exports from the least developed countries. Second, all countries, especially the more advanced developing countries, must further liberalize their import regimes and permit easier access for products from the least developed countries, increasing South-South trade and economic cooperation, while the least developed countries must remedy the political and institutional shortcomings which prevented them from benefiting from trade and globalization. Third, in order to improve market access for the least developed countries within the multilateral trading system, greater use should be made of available preferential mechanisms, new mechanisms should be developed, and rules of origin should be made more flexible.

The problem of the least developed countries' heavy debt burdens must be resolved and the multilateral initiative to address the debt of highly indebted poor countries was a major step in the right direction. However, it could only succeed if the creditor Governments met their obligations under the initiative and facilitated its implementation. For that reason his Government had recently launched a comprehensive debt-relief plan within the frameworks of the initiative and the Paris Club. He hoped that other countries would take similar action; otherwise, progress in other areas would have only a limited positive effect.

A central feature of globalization was the growing prominence of the private sector as a dynamo for growth in a competitive economy. The authorities in the least developed countries and the donor agencies must cooperate with the private sector to create a climate which attracted private investment, creating innovative public-private partnerships. His Government was finalizing a strategy to stimulate private sector development in the developing countries.

His Government had gone further than most countries in opening its markets to products from the least developed countries on a unilateral basis, over and above the requirements of WTO: with the exception of grain, flour and feed, all goods from least developed countries could enter the Norwegian market without

tariffs or quotas, and other developing countries were also granted a wide range of preferences. Bilateral and multilateral technical cooperation was also provided to assist the least developed countries to develop their human resources in the trade sector and take advantage of the opportunities offered by the current trade regime. Substantial funding for technical assistance activities had also been provided to UNCTAD, WTO and the International Trade Centre (ITC).

Other institutions such as the United Nations Development Programme (UNDP), the World Bank and the International Monetary Fund (IMF) also had important roles to play, and the general United Nations reform process should result in improved coordination between institutions involved in trade-related technical cooperation. The launching of the integrated Africa Programme to enhance national trade capacity had been a positive step in that direction.

His delegation would continue to give high priority to the concerns of the poorest countries within the WTO framework and was encouraged by the declaration from the preceding ministerial conference, which had recognized the urgent need to address the marginalization of the least developed countries. It was also paying close attention to follow-up of the recommendations of the WTO High-level meeting on least developed countries the preceding year. New candidates for membership in WTO should be assisted in their efforts to join the organization, which would put them in a better position to influence the future development of the multilateral trading machine.

Mr. McWHINNEY (Canada) said that although some countries and sectors had been in a better position than others to meet the challenges and opportunities of market liberalization, few if any countries could afford to divorce themselves from the global trading system. It was therefore necessary to identify ways in which all countries could benefit from integration into the international economy.

Participation in global trade was critical for promoting economic growth, sustainable development and poverty reduction and it was especially important to enhance the capacity of Africa and the least developed countries to take better advantage of the world trading system and the advances made in the Uruguay Round of multilateral trade negotiations. The least developed countries would not be able to achieve sustainable development until they were able to play a more active role in the international economy, and any new multilateral negotiations

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must address the needs and concerns of the least developed countries, particularly those in Africa.

Canada had one of the most liberal, stable and predictable generalized system of preferences schemes of all of the developed countries, the final Uruguay Round customs tariff reductions had already been implemented and further preferential measures for least developed countries were planned. His Government was actively involved in several regional arrangements to facilitate market access.

Recent studies had found that few least developed countries had been able to take advantage of the preferential treatment offered by the developed world, let alone the opportunities of the Uruguay Round. His delegation felt that strengthening the capacity to trade was just as important as market access, and therefore encouraged countries to review their national enabling environment.

Sound macroeconomic policies and a legal and economic framework which enhanced the growth of a dynamic private sector and encouraged the development of small- and medium-sized enterprises were essential in improving countries' capacity to trade. Equally important were an enabling environment for investment, good governance and sound competition policy. Countries must also promote human resource development in the areas of trade, trade support services and development of infrastructure. Reforms at the domestic and international levels were necessary to make the international system run more smoothly. The Asian financial crisis had clearly shown how the problems of the financial sector were reflected in the international trading system, and his Government had been in the forefront of promoting strategies for better international surveillance of international financial markets.

His delegation supported the accession of non-members to WTO, so that all countries could participate more fully in the global trading system and reap the benefits of trade liberalization. He supported the process begun at the High-level meeting on the integration of the least developed countries into the international economy. The conclusion reached that multilateral, regional and bilateral programming must be better coordinated was crucial to the success of future efforts for capacity-building and trade-related technical assistance. His delegation had always supported close cooperation between international institutions which promoted sustainable development.

UNCTAD had long played a lead role in the areas of trade and development, and it was currently in the middle of a high-level review of the Midrand Declaration advocating a pragmatic work programme to assist countries in their integration into the international economy. It was imperative that UNCTAD continue research activities and capacity-building and technical cooperation; give priority to enhancing capacity to trade in developing and least developed countries and Africa, and substantially increase trade-related technical cooperation. Furthermore, it must strengthen information and training services and technical cooperation to expand developing countries' export capabilities.

He reaffirmed his delegation's support for further integration of all countries, in particular the least developed, into the global trading system in a manner which promoted sustainable development and economic growth. His delegation would continue to work actively to assist all countries in their efforts to reap the benefits of trade liberalization and he expressed the hope that the Council would be able to adopt some conclusions that would contribute materially to that goal.

Mr. Fulci (Italy) took the Chair.

Mr. IMBODEN (Observer for Switzerland) said that measures such as tariff reduction and differential treatment for the developing countries and discussions about trade and exports were concepts which belonged to the past; globalization actually meant the mobility of the factors of production - investment, value-added, improved competitiveness through technology and transfer of knowledge - rather than mere trade of products.

Globalization was too often seen as a threat rather than as a tremendous opportunity for job creation and the reduction of poverty. On the other hand, global markets meant not only global opportunities but also global competition, in which competitiveness, not market access, was the most important factor. Global competition was a cruel system which clearly distinguished the strong from the weak, between winners and losers. Effective globalization therefore required solidarity and rules applicable to everybody and applied by everybody.

The international community must assist those countries which were marginalized by globalization in order to make globalization acceptable and sustainable, both politically and economically. Yet, tragically, levels of aid were dropping at the very moment when it was needed to help countries become competitive, and when it was more effective than ever in developing a viable

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private sector in all countries of the world. Helping the least developed countries to compete in world markets required not only trade-related technical assistance but also huge investments in human capital and in infrastructure, the transfer of knowledge, etc. Governments must show a willingness to give priority to such efforts.

The WTO had done excellent work in ensuring the existence of rules for all, but those rules must be constantly strengthened and new rules created to keep up with the changing situation in order to guarantee that the playing field remained level for all. The law of trade must be constantly adapted to ensure competition and avoid new types of discrimination in the marketplace. Internationally accepted technical, health, environmental and labour standards must be negotiated in order to avoid the unilateral imposition of discriminatory national standards. Dispute settlement mechanisms must be made more efficient, affordable and accessible, especially for the least developed countries.

The international community had an obligation to maintain and nurture the system of globalization which served it so well, which implied submitting to the law of the market. However, the law of the market had to be complemented by solidarity, i.e. a commitment to reject unilateral actions and readiness to discuss all issues which allowed the market to function in a way which respected the environment and basic human rights.

Mr. KAMAL (Pakistan) said that the theme of the high-level segment was of fundamental importance to developing countries. Pakistan was committed to economic and trade liberalization and to the strengthening of the multilateral trading system. It had been one of the first countries in southern Asia to liberalize its trade and economic regime.

Fifty years after the creation of GATT, it was evident that the prescription of liberalization and free markets had been successful. The conclusion of the Uruguay Round agreements and the establishment of WTO were the most ambitious measures yet taken to liberalize all forms of trade. Unfortunately, however, the resulting gains had been most uneven. Areas of special interest to developing countries were being liberalized at a slower pace than others.

Pakistan was especially concerned at the manner of implementation, and in some cases the non-implementation, of the agreements on textiles, clothing, agriculture, anti-dumping, rules of origin and the movement of natural persons.

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The implementation of the Agreement on Textiles and Clothing was especially disturbing, since the integration programmes for the first two stages had not brought about any meaningful liberalization in that sector. Moreover, the textile-exporting countries continued to face export barriers owing to frequent use of the exceptional transitional safeguard mechanism, anti-dumping and other unilateral measures. In agriculture, leading developed countries had switched from restrictive regimes to extremely high levels of tariff protection, and the aggregate measure of support had been used to apply much lower reductions in production subsidies in sensitive sectors. The cumulative effect of such measures had been to erode market access for the developing countries.

Pakistan was also concerned at the failure to implement provisions on special and differential treatment for developing countries, the potential negative impact of regional trade arrangements, and flaws in the WTO dispute settlement procedure. Those problems were compounded by a disturbing tendency to link further liberalization in areas covered by the agreements with concessions in areas of interest to the developed countries.

In order for the multilateral trading system to succeed, the existing Uruguay Round agreements must be implemented fully and faithfully. The developing countries had proposals for a positive agenda and for further negotiations. He urged WTO to focus on resolving the problems encountered in implementing the agreements under the Uruguay Round. The United Nations system, especially UNCTAD, must play a more active role in helping the developing countries by providing objective in-depth analysis of the effects of liberalization and of proposals for further liberalization; by strengthening the capacity of developing countries to participate in trade negotiations; by enhancing the supply capacity of developing countries, especially the least developed among them to enable them to reap the benefits of liberalization; by taking the lead in ensuring consistency between global economic policies, so that the ability of the developing countries to benefit from increasing trade was not impaired by shortcomings in financial markets; and finally, by ensuring that the developing countries were not prevented by structural factors such as debt, the lack of concessional development finance and restrictions on the transfer of technology from taking advantage of the opportunities presented by the multilateral trading system.

Mr. SYCHOU (Belarus) said that the Asian financial crisis, which had impacted severely on some countries with transitional economies, had demonstrated that the lack of effective preventive mechanisms to regulate international markets created a risk of renewed crisis. Hence the importance of the Uruguay Round agreements, leading to a more transparent and predictable multilateral trading system, with WTO at its centre. The agreements had improved the conditions for market access and strengthened the machinery for protecting the right of States to enjoy that access. Non-tariff barriers had also been reduced to a minimum, except for trade in agricultural products.

However, there was still work to be done by national Governments and international organizations to improve the multilateral trading system. The tariff reductions for some types of goods had been minimal, so that the general level of existing tariff barriers remained high.

The anti-dumping sanctions applied recently by many industrialized countries and some developing countries were also a cause of concern. Most of the 2,329 anti-dumping cases in the period 1987-1997 related to trade in chemical products, textiles and agricultural produce, which were the chief exports of developing countries and countries in transition. Over 60 countries in that category were still outside WTO, and were unable to enjoy the benefits of the multilateral trading system or to use WTO's dispute settlement machinery; hence they were virtually defenceless against anti-dumping sanctions and other restrictions. Belarus was one of them. In spite of its rapid economic growth, reflected in a rise in gross domestic product of 10 per cent in 1997, it could not fully utilize its export potential because its two chief exports, potash fertilizer and textiles, were subject to anti-dumping sanctions and other restrictions on the part of many European countries.

Belarus was fully prepared to liberalize its foreign trade regime, but was entitled to expect a similar response from its trading partners. Other States with transitional economies faced similar problems, and his delegation was convinced that their path to integration into the international economy, and that of the developing countries, lay in the multilateral trading system, through membership of WTO. However, the process of negotiation to join WTO was long and complex, requiring substantial material and intellectual resources. Belarus therefore attached great importance to paragraph 11 of the ministerial communiqué to be adopted at the conclusion of the high-level segment,

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emphasizing the need for member States of WTO and the international organizations concerned to simplify the process. It was hoped that UNCTAD and WTO would provide technical support for that purpose.

His Government welcomed the outcome of the 1997 and 1998 sessions of the working group on the admission of Belarus to WTO, which had demonstrated the willingness of its member States to resolve controversial issues in a spirit of mutual respect while observing the principles of equity and mutual advantage.

Mr. CASTANEDA-CORNEJO (El Salvador) recalled that the mandate to establish a world trade organization had been handed down by the Economic and Social Council some 50 years earlier. His delegation endorsed the views expressed by the representative of Indonesia on behalf of the Group of 77 and China at the previous meeting. As other speakers had said, the multilateral trading system, based on clear rules and the principle of non-discrimination, had contributed to the economic growth of many countries and the prosperity of their peoples, thus helping to eradicate poverty. In the three years which had elapsed since the establishment of WTO, the predictability and security of international trade relations had improved, and the dispute resolution mechanism had been consolidated.

Although the liberalization of world trade had contributed to economic growth and development, the process of globalization had not brought equal benefits to all countries or all sectors. The developing countries, especially the economically weak and least advanced countries, were excluded from those benefits. In order to combat poverty and avoid marginalization in the developing countries, there must be genuine market access, based on clear rules, for all their products.

Despite the achievements of the Uruguay Round, the tariff reductions and the removal of quantitative restrictions, tariff peaks and non-tariff barriers persisted in the sectors of principal interest to the developing countries. That was especially true of agriculture, the leading economic and trade sector for many countries. Exporters of agricultural produce were having to compete with products whose prices were distorted by agricultural subsidies.

Tariffs on textiles were generally much higher in the developed countries than in other sectors. His delegation was also perturbed by the manner in which the Agreement on Textiles and Clothing had been implemented: progress in



eliminating quantitative restrictions had been minimal, and non-tariff measures continued to prevail.

For developing countries, it was often difficult to comply with the non-tariff barriers arising from technical standards, environmental measures, and health and phytosanitary measures. While such measures might be both legitimate and necessary in order to comply with international quality standards, supervisory mechanisms were needed in order to prevent them from being used, along with safeguard and anti-dumping measures, as concealed protectionist devices. To ensure that did not happen, there was a need for transparency, technical information and an adequate transfer of technology. Likewise, there was a danger of trade rules intended to achieve progress in labour standards, the environment and human rights, being used for protectionist purposes. He agreed with the Secretary-General that those topics should be dealt with in the ambit of the United Nations and its specialized agencies.

In view of the primacy of the multilateral trading system in achieving sustainable economic and social development, bilateral and regional trade initiatives should be regarded as complementary to the multilateral system, making it more open and competitive. El Salvador played an active role in the Central American system of integration, which was now negotiating free trade agreements with countries in the region with a view to consolidating a future free trade area for the Americas.

He appealed to all member States of WTO to continue to implement the Uruguay Round agreements, taking account of the needs and difficulties of the developing countries. In future negotiations, his country hoped for a balance of interests between developed and developing countries. Trade liberalization should be pursued further, reducing tariffs and removing non-tariff barriers, especially for the products of concern to the developing countries and for the services sector.

Mr. DO MAR BA (Observer for Senegal) endorsed the statement by the representative of Indonesia, speaking for the Group of 77 and China at the previous meeting. The adoption of the Agreements resulting from the Uruguay Round reflected a general belief that trade liberalization and the establishment of the new multilateral trade system would have a positive impact on economic growth worldwide and thus improve the economic prospects of all countries, especially the developing countries. However, the hopes of many developing

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countries had so far been thwarted by persistent imbalances in the system. The opening-up which was supposed to take place seemed to be a one-way street. The products of the developing countries continued to have difficulty in gaining access to external markets because of the obstacles posed by tariff and non-tariff barriers, environmental or phytosanitary standards and social clauses. In addition, the progressive taxes imposed on processed primary products held back the process of industrialization in the developing countries. Those countries also suffered from the erosion of the preferential margins they enjoyed under the Generalized System of Preferences. The abolition of the System would result in serious losses of export earnings and a negative impact on their trade balances. WTO should therefore accord priority to ensuring the effective participation of all countries, especially the developing countries, in the multilateral trading system, and to the opening up of markets to exports, along with enhanced commercial efficiency in the developing countries. It should also seek to dismantle protectionist measures of all kinds, pursue technical assistance to the developing countries to enable them to apply the complex procedures involved in the multilateral system, and ensure that all countries complied faithfully with their commitments under the Uruguay Round.

Special emphasis should be placed on implementing the provisions of the reform programme for the least developed countries and the developing countries which were net importers of food products. Otherwise, globalization would be perceived by a majority of those countries as a necessary evil threatening their continued exclusion, rather than a source of opportunity and growth. Greater cooperation between the United Nations and the multilateral trading and financial institutions would help the developing countries to derive maximum benefit from the multilateral trading system. Their export earnings were a crucial component of growth and development, and their prosperity, in an interdependent world, would be a source of opportunity for the developed countries and a pledge of international peace and security.

The meeting rose at 6.40 p.m.