

68729

UNITED NATIONS
ECONOMIC COMMISSION FOR AFRICA



TRADE PROSPECTS FOR AFRICA IN THE POST-URUGUAY ROUND
GLOBAL TRADING ENVIRONMENT

Statement
by

Layashi Yaker,
United Nations Under-Secretary-General,
Executive Secretary of the Economic
Commission for Africa

Presented at a Seminar on "Trade Prospects for the
Developing Countries up to the Year 2000 and Beyond" on the
Occasion of the Thirtieth Anniversary of the United Nations
Conference on Trade and Development, Geneva, Switzerland, 27
to 28 September, 1994.

Mr. Chairman,
Distinguished Members of the Trade and Development
Board of UNCTAD,
Mr. Carlos Fortin, Officer-in-Charge of UNCTAD,
Ladies and Gentlemen,

It is indeed a privilege for me to have been invited to participate in this important seminar on "Trade Prospects for the Developing Countries up to the Year 2000 and Beyond", organized as part of the programme of commemoration of the Thirtieth Anniversary of the establishment of the United Nations Conference on Trade and Development.

Mr. Chairman,

A number of complex issues in the political, economic, trade and financial landscape have emerged in recent years. These include the demise of communism and the break-up of the former Soviet Union; the adoption of market-oriented reforms by countries of centrally planned economies of Eastern Europe and the former Soviet Union; the conclusion of the Uruguay Round of multilateral trade negotiations giving rise to a new global trading system; increased movement towards regionalism and the creation of larger trading blocks and its implication on the global trading system; increased poverty in many developing countries notwithstanding improved world economic prospects; and the continuing debt problems of many developing countries, especially those in Africa. These developments pose both challenges and opportunities. For those countries capable to adapt quickly to these developments, the benefits could prove to be enormous, but for others they may exacerbate an already precarious economic and social situation. The United Nations Conference on Trade and Development has continuously provided invaluable technical assistance to developing countries and helped in the mobilization of resources needed for the economies in Africa to adapt to these changes. We wish to assure UNCTAD

that African countries indeed appreciate and value such assistance. The contributions that the United Nations Conference on Trade and Development has made over the years to the articulation of world economic and financial problems and, particularly, its efforts to shape, coordinate and vocalize the concerns of developing countries are well known and laudable.

Mr. Chairman,

Permit me now to briefly turn to some of the topics of your seminar, many of which are of direct relevance to our countries in Africa. While many developed and developing countries, including those in Africa, welcomed the signing of the Uruguay Round in Marrakech, Morocco in April 1994, there is indeed real concern as to the implications of the post-Uruguay Round trading environment, particularly for African countries. These concerns do not emanate from lack of appreciation of the welfare benefits emanating from a more liberalized global trading system; they are founded in the current unequal distribution of world trade flows and the present limitations of our economies, notably lack of adequate infrastructure, human capacities, financial institutions and the technological know-how necessary to compete effectively in a global trading system. It is in this context that we have been calling for differential and more favourable treatment in the global trading system. More importantly, Africa is in need of increased technical and financial assistance to enable our countries to adapt to these changes.

Mr. Chairman,

For African countries to take advantage of the opportunities arising from the Uruguay Round Multilateral Trade Agreement, and, more importantly, to minimize the negative impact on their economies, strategies need to be

worked out to assist the more vulnerable developing countries to put in place measures needed to benefit from the Agreement. Africa remains perturbed by preliminary evaluations of the implications of the Uruguay Round on world output and trade which reveal that the continent could stand to lose.

Regarding market access opportunities for developing countries, Africa, which has the highest number of least developed countries, has on many occasions raised its concerns over the loss of its preferential margins under both the Generalized System of Preferences (GSP) and the Lome Convention arrangements as industrial countries implement the provisions of the Uruguay Round. It is projected that such losses could be as high as 100 percent for commodities such as coffee and cocoa beans, which are major exports for a number of African countries. In this regard, the challenges that African countries face make a strong case for technical and financial assistance to cope with the new trading environment. On the other hand, it should be pointed out that market access of products from developing to developed countries will depend to a certain extent on the collective will of the industrial countries to engender a more secure, predictable, disciplined and transparent trading system.

As regards to differential and more favourable treatment and the measures in favour of least developed countries, the Uruguay Round Agreement makes provision for the latter to be given an opportunity to adapt their structures to the new requirements over a period of time. This recognition of the special circumstances and needs of the least developed countries, which are mainly concentrated in Africa, is significant but needs to be translated into pertinent actions and measures. We therefore call on the international community to adhere to their pledges to assist these countries to adapt to the new global trading environment. Also, in view of the fact that economic transformation and

diversification take time, it is important that the international community should show flexibility in the implementation of a number of the provisions of the Agreement as they relate to these countries.

With regards to the trade prospects for developing countries in the context of new issues to be put on the agenda of future trade negotiations, developing countries have rightly opposed any attempt to view such issues as the link between trade and environment, trade and competition, and trade and labour standards, among others. This is due to the fact that while the current Uruguay Round of multilateral trade negotiations made significant progress in obligating countries to reduce non-tariff barriers, the new issues could easily be used as new tools for discrimination against products from developing countries. The developing countries emphasize that aside from these issues, future trade negotiations should also cover such issues as the relationship between immigration policies and international trade; trade and investment; regionalism and its impact on multilateral trade arrangements; the interaction between trade policies relating to financial and monetary matters, including the issues of debt, commodity markets, and international trade and company law; the establishment of a mechanism to compensate for the erosion of preferences; and the link between trade, development, political stability and the alleviation of poverty. These were the issues voiced by many delegations from developing countries in Marrakesh last April, during the signing of the Final Act of the Uruguay Round of Multilateral Trade Negotiations.

Mr Chairman,

I wish to reiterate that for Africa to wither the winds of change that will be engendered by implementation of the provisions of the Uruguay Round, it will not only need the good will of the industrialized countries in terms of market

access, but also technical and financial assistance to adapt to the new global trading system. We hope Africa can count on the expertise of specialized organizations, such as UNCTAD, to help African countries navigate in the uncertain waters before us. Likewise, Mr. Chairman, I wish to point out the willingness and commitment of the United Nations Economic Commission for Africa to helping Africa in this respect and also to continue, actively and vigorously, our partnership with UNCTAD for the benefit of Africa. I am sure that the conclusions and recommendations emanating from this Seminar will provide a clearer focus on what developing countries can realistically expect from the outcome of the Uruguay Round. I also hope that the deliberations of this seminar will serve as useful inputs for the International Conference on the Uruguay Round on technical assistance to African countries which, as you know, will be held in Tunis, Tunisia, from 24 to 27 October 1994. This Conference is being convened pursuant to Resolution 783(XXIX) adopted by the Conference of African Ministers of Trade at its Twelfth Session held from 22 to 24 October 1993 in Tunis. In the spirit of permanent dialogue between Africa and its partners in development, we have invited development agencies from the North as well as from the South to participate in this very important Conference.

Finally, allow me, Mr. Chairman, to once again congratulate UNCTAD on its thirty years of successful efforts in the interest of international trade and development.