

World Economic Issues

44. Heads of Government noted that the world economy faced grave problems and uncertainties. At the same time, they believed that the current climate of low inflation and declining interest rates presented opportunities for economic recovery and growth and stressed the importance of building on these positive factors by combating protectionism and persisting with structural reform in all parts of the world. In that context they noted the positive contribution being made to world economic growth by developing countries through liberalising their trade and markets and through strong performance in some countries.

45. Heads of Government noted that, despite the impressive economic performance in some parts of the developing world, poverty and deprivation continue to prevail. They welcomed the broadening political consensus on adjustment strategies informed by market-friendly measures, combined with human resource development and poverty reduction, and taking into account the needs and potential of women. They noted that the performances of many countries were constrained by external impediments, particularly by debt burdens, weak commodity prices and deteriorating terms of trade. In that context, they stressed the special difficulties of sub-Saharan Africa. They emphasised that major efforts were still required throughout the developing world to overcome institutional, economic and financial barriers to stronger growth; at the same time, they recognised that these reforms should be supported by an appropriate blend of adjustment and external financing.

46. Heads of Government addressed issues concerning the Uruguay Round of multilateral trade negotiations. Recognising the importance of trade liberalisation to economic growth and development, Heads of Government issued the Limassol Statement on the Uruguay Round, in which they reaffirmed their commitment to a comprehensive, equitable and balanced conclusion of the Round by 15 December 1993. They decided to constitute a Ministerial Mission, comprising Ministers from Barbados, Canada, Ghana, Malaysia and Mauritius, which would call on the GATT Director-General in Geneva, the European Commission in Brussels and selected capitals to further the purposes set out in the Limassol Statement.

Debt and Financial Flows

47. Heads of Government expressed their concern at the continuing debt problems of many developing countries, despite the progress made in international debt arrangements since 1991. They called for such additional measures as may be necessary to reduce the debt burden of these countries to sustainable levels, and in particular for the full implementation of the Trinidad and Tobago and Houston Terms. In that context, they welcomed the call by the G-7 Tokyo Summit for the Paris Club to look again at the terms of relief available and stressed that the neediest