

# GENERAL AGREEMENT ON TARIFFS AND TRADE

MIN(86)ST/21  
17 September 1986  
Special Distribution

Original: English

PAKISTAN: STATEMENT BY H.E. SYED TASNEEM NAWAZ GARDEZI,  
MINISTER OF STATE OF COMMERCE, AT THE MEETING OF THE GATT CONTRACTING  
PARTIES AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,  
PUNTA DEL ESTE, URUGUAY

I have great pleasure in associating myself with other distinguished delegates in extending to you the felicitations of the Pakistan delegation on your election as Chairman of this meeting. I am confident that under your wise and able guidance this session will be able to steer itself successfully through the difficult task before it. I would like to assure you the full co-operation of my delegation in your efforts to make this session a success.

May I also take this opportunity to express our deep appreciation to the government and the people of Uruguay for hosting this meeting and for making such excellent arrangements. This is for the first time that a GATT meeting is being held in a developing country. I hope that it will be a turning point in promoting trade relations among nations, in improving the world trading environment; and in bringing to the fore the issues of vital interest to the developing countries.

There is a crisis of confidence in the multilateral trading system. The factors responsible for this are many. Some issues are of a chronic nature. They have been discussed and debated for over a decade, since the Tokyo Conference of 1973, without having made any headway. These need to be taken up with renewed determination. The non-fulfilment of the commitments made at the GATT Ministerial meeting in 1982 on fundamental issues such as rollback and standstill has only widened the credibility gap. The erosion of the multilateral system continues unabated and arrangements not covered by GATT rules are coming into wide use. Some governments have yielded to pressures on the domestic front and acted in violation of their international commitments and in contravention of rules of the game. As a result of their policies, the main sufferers have been the developing countries. Pakistan is a developing country with an overwhelming and natural bias towards agriculture. From this base we are struggling to establish an industrial infrastructure. In these endeavours we find the present trading practices to be a hindrance. In the field of agriculture it is difficult to compete with the treasuries of developed nations while our industrial goods based upon our agricultural raw materials are faced with increasing use of quantitative and other non-tariff protective measures.

It is in this background that I would venture to make a few specific observations:

- (i) There is an urgent need to revive the confidence of nations in the world trading system and in the commitments given by member

states in this forum. We believe that firm commitments to refrain from erecting new trade barriers and phasing out the existing ones over a reasonable period of time will help to create a congenial atmosphere. The commitments should be strictly adhered to and a mechanism should be devised within GATT for their monitoring. It is essential that the process of erosion of the trading system provided by GATT should be arrested and its original position restored. For this purpose not only should GATT be strengthened but governments should refrain from entering into arrangements contrary to GATT rules.

- (ii) The most glaring example of disregard of the non-discriminatory principles of GATT is the continuation of the multifibre arrangement for trade in textiles and clothing. We strongly feel that this inequitable derogation can be phased out and trade in textiles and clothing brought within the original GATT discipline.
- (iii) There seems no justification to leave trade in agriculture outside the purview of GATT. Agriculture occupies an important position in developing countries and if the present exemption continues, the growth and development prospects of these countries would be further retarded. The current slump in commodity prices coupled with the agriculture policies of some countries have depressing effects on the economies of many developing nations.
- (iv) A special and preferential treatment for less-developed countries is recognized by GATT. The position should be fully preserved and reflected in the future arrangements.

Pakistan does not approach the problems besetting the multilateral trading system through some fixed doctrinaire outlook. Our delegation participated in the deliberations of the Preparatory Committee at Geneva both at formal and informal levels in a true spirit of pragmatic give and take. We believe that the document presented before our meeting, after long and arduous deliberations among a majority of contracting parties, provides a good working basis for our efforts here to evolve a broad, and generally acceptable consensus.