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REVIEW OF THE WORK OF THE CONTRACTING PARTIES AND FUTURE PROGRAMME

Statement by H.E. Mr. Zeev Sharef,
Minister of Commerce and Industry for Israel,
on 23 November 1967

One may look back with satisfaction upon the progress towards the expansion and liberalization of world trade achieved during the twenty years of the existence of GATT. Starting on its road cautiously step-by-step it laid the ground for a succession of general tariff negotiations, which culminated in the Kennedy Round, without a doubt the most important milestone reached so far.

Israel came in with the Dillon Round, not long after its independence, economically weak, and struggling to lay the corner stone of a viable economy. As a small developing country we knew that the expansion of our external trade must constitute a vital element within this economy and we knew that GATT would make the hard road towards the mainstream of international trade easier for us.

As a result of our negotiations in the Dillon Round we were able for the first time to secure access to import markets for a number of our products. In the Kennedy Round we have achieved further concessions on a significant number of present and potential export products. The value of these concessions would be enhanced if they were to be implemented at once.

During these negotiations we always tried to give satisfaction to our negotiating partners. However, since our exports are of necessity marginal from the point of view of the main importing countries, our bargaining position remains limited.

While the results of the Kennedy Round are impressive it is nevertheless true that very much still needs to be done in order that the special needs of the developing countries be satisfied. We hope that the industrialized countries, members of GATT, will give urgent attention to further steps of trade liberalization, and in particular to the reduction of high tariffs and of non-tariff barriers on products which are of special interest to developing countries.

It is an historical fact that GATT was the first inter-governmental organization which paid special attention to the trade needs and interests of these countries, for, in the field of international commerce, as in other fields of human endeavour, the application of rules of equality to unequal partners may result in the opposite of what is intended, namely in greater disparity among nations rather than in a narrowing of the gap between them.

It was this consideration which led to the adoption of Part IV of the General Agreement. However, this part, for all its importance, is still far from implementation.

We therefore attach particular importance to the concept of tariff preferences in favour of developing countries. This has already been put into effect by Australia. The United States has, for its part, made known its intention to explore ways of implementing a general scheme of preferences, and consultations on this subject are going on in other industrialized countries.

It is to be hoped that the implications of a more liberal approach to the question of preferences for the developing countries will be seen in their proper proportions. The economic growth of the developing countries is also in the long-run interest of the industrialized countries and will outweigh the short-run sacrifice which is implied for them.

Special thought should be given to the form in which preferences for developing countries will be embodied. These developing countries which are Members of GATT are familiar with the consolidated GATT schedules. GATT will surely be able to formulate and apply the special preferential measures in favour of less-developed countries in a manner compatible with the objectives, principles and provisions of the General Agreement.

A new initiative was taken at the time of the Kennedy Round when developing countries laid the ground for preferential tariff negotiations among themselves. We greatly value this idea and the fact that preparations for these negotiations are being carried a step further at the present session.

Before leaving this subject, I have to add that preferences, as such, will not solve the problem of the many small countries whether industrially developed or developing. What small countries need in addition to general preferences is economic integration with larger groupings of countries. This will enable them to develop their economies rationally and to direct their long-run plans towards specialization in those branches in which they have a comparative advantage.

Among the problems which have remained unsolved there are those in the field of agriculture, with which my country is concerned be it as a consumer, be it as a producer. We welcome the proposal for consultations within GATT with a view to instituting negotiations on specific sectors and would like, in this context, to express our special interest in citrus fruit and citrus fruit products. In general, we are in favour of a product-by-product approach and hope that agreements will in fact be successfully concluded on the main agricultural products.

Finally, I shall mention those activities of GATT which are designed to help developing countries make actual use of the improved access to markets. In this field, the International Trade Centre has already given most valuable service to dozens of developing countries in the few years since its establishment in GATT. Its trade information publications, advisory services, seminars and courses are justly known for their practical approach and high standard. The Centre, in the form of a joint GATT/UNCTAD International Trade Centre, is now to receive additional resources. We hope that while this development will enable the Centre to enlarge the scope of its activities it will preserve its down-to-earth working methods and its high efficiency.

Before concluding, I should like to express the appreciation of my Government to the distinguished Director-General, Mr. Eric Wyndham White. After what has been said by the distinguished delegates who spoke before me, it is hard to find new words that would do justice to the outstanding service which he has rendered to all of us. Together with his excellent staff he has steered GATT through twenty stormy years with untiring effort and supreme skill. The success of GATT has been due to its businesslike, pragmatic approach, its efficiency and, last but not least, its adherence to the technique of direct negotiations between member countries which has produced practical results. If GATT remains true to these principles, it will overcome its present difficulties and not only continue to be the focal instrument of international trade, but meet the challenges posed by a developing world.