

GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATEMENT BY MR. M.A.B. HAMZA (EGYPT) ON 24 FEBRUARY 1976

As this Group reconvenes today, there is good reason to hope that GATT has acquired a most useful supplementary instrument to ensure that it responds quickly and flexibly to developments in the world trading situation.

Rather than reviewing the current situation in international trade in a general and comprehensive manner, one may address oneself directly to the specific issues of particular concern. A special source of concern to delegations of developing countries, including mine, is the deterioration in the external position of their countries. The general picture for the developing countries in 1975 was again of large balance-of-payments deficits on current account, financed through heavy external borrowing and through the use of reserves already eroded by the inflation in recent years.

Reviewing the prospects of those countries, one may note with great concern that in 1976 they are likely to incur extraordinarily large current account deficits. While trade problems of developing countries are pressing and hitting hard, solutions and remedies are inadequate and lagging behind. This has led to greater difficulties for developing countries generally and for the most seriously affected countries in particular.

The General Assembly, at its Seventh Special Session adopted resolution 3362 which was a declaration of good intention to act. In the area of international trade, paragraph 12 of this resolution stated that emergency measures as spelled out in section X of General Assembly resolution 3202 (S-VI) should be undertaken to mitigate the difficulties of the developing countries, especially the most seriously affected among them.

While other institutions like the IMF, the World Bank and FAO have started to take measures to help developing countries in such a desperate situation, the competent GATT bodies did not pause to think and ponder whether extraordinary measures were needed to deal with this extraordinary situation.

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Given the will, many positive measures can be taken within the GATT context to ameliorate the critical situation of the developing countries, particularly the most seriously affected. One can make a humble contribution in suggesting adoption of a special emergency programme that could include, inter alia:

- no further introduction of restrictions affecting products of vital interest to developing countries;
- actions to be taken towards progressive increase in quotas, automatically or by fixed percentage, as regards products of interest to them;
- no further extension of the existing so-called "voluntary" export restraints, and exemption of developing countries from application of new restraints;
- non-application of countervailing duties, since the developing countries are not signatories to the anti-dumping code, and their exemption from application of provisions on export subsidies in view of their trade and development needs;
- special consideration to the situation of developing countries in the area of international trade in textiles and adoption of adjustment measures, rather than restriction of imports from developing countries;
- advance consultation with the developing countries concerned before any introduction of restrictive measures that may adversely affect their trade interests.

These are just examples of possible measures to be included in such an emergency programme.

The Consultative Group of Eighteen is entitled to have its say in this respect, since this group is established by the Council to facilitate the carrying out, by the CONTRACTING PARTIES, of their responsibilities particularly with respect to, inter alia, the forestalling of sudden disturbances that could represent a threat to the multilateral trading system and to international trade relations, taking into account the special characteristics and requirements of the developing countries and their problems.

If so, one may suggest that this group, within the scope of its mandate, should recommend to the Council to study the ways and means, and to take immediate positive actions to adopt an emergency programme, within the GATT context, with a view to providing emergency relief to the developing countries in general and the most seriously affected among them in particular.