

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COT/W/82

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COTTON TEXTILES COMMITTEE

Statement by the Representative of Pakistan at the Meeting of 28 September 1966

1. In response to your invitation we also would like to make a few brief comments under Article 8(c) of the Long-Term Arrangement. You, Mr. Chairman, and this Committee are well aware of our views on how the Long-Term Arrangement has been operated in the past. We expressed these views at some length at the third review and we do not, therefore, consider it necessary to elaborate them in any detail once again.
2. You will recall, Sir, that at the third review we said:
 - (i) The trade policies of the major developed countries with regard to cotton textiles had not only restricted substantially the current trade opportunities of less-developed countries but were likely to have serious repercussions on their long-term prospects as well.
 - (ii) Cotton industry in developed countries had so modernized itself that it was no longer in need, if it ever was, of protective measures.
 - (iii) The Long-Term Arrangement had been operated in a manner as if paragraph 1 of Article 2 hardly existed.
 - (iv) Article 3 of the Long-Term Arrangement had opened the door wide for arbitrary and harsh decisions by importing countries while the exporting countries had no safeguards to fall back upon in their negotiations with the developed countries.
 - (v) The Long-Term Arrangement had weakened the hands of the governments of the importing countries in relation to domestic pressures, even of those governments which otherwise would have followed liberal trade policies.
 - (vi) The Cotton Textiles Committee established under the Long-Term Arrangement had acted only as a forum for debate, which was sometimes courteous and sometimes not so courteous, but had not succeeded in preventing the importing countries from doing what they had decided to do in advance of the meetings.

These broad conclusions still remain valid and the time that has passed since the third review has not reduced their force.

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3. Mr. Chairman, documents COT/W/73 and COT/W/74 prepared by the secretariat, indicate that, generally speaking, the restrictions have spread rather than decreased during the year under review. It is also clear from these documents that the absolute level of quotas imposed by countries like France and Germany on our exports continue to be so low that it is hardly worthwhile for exporters to make a serious effort to enter their markets. The quotas granted by these two countries amount only to 516 tons that is to say, about 6.7 million sq. yds. There have been some additions to Pakistan's quotas during the last four years but it would be very ironic indeed to call these additions improvements in conditions of access. We pointed out last year that the quota systems of these countries and the accompanying licensing procedures were so restrictive that developing countries found it extremely difficult to penetrate their markets and that statement has been borne out by the statistics presented by the secretariat in COT/W/74/Add.1. These figures show no improvement whatsoever in the ratio of imports of cotton fabrics from Group II countries and Japan to total consumption in the European Economic Community as a whole.

4. The most disturbing development during the year under review has been the new scheme introduced by the United Kingdom. The United Kingdom which imported a substantial part of its requirements of cotton goods from developing countries has now taken a turn towards restrictionism and in the process has cast a deep shadow on the efforts the developing countries could make in this forum to reach a satisfactory solution in the cotton textiles sector. The representative of the United Arab Republic has already very correctly pointed out the illegality of the United Kingdom's action. This point does not, therefore, need any further emphasis. From a legal point of view, the United Kingdom has set a very dangerous precedent indeed. We hope that the United Kingdom Government would examine this problem again. We on our part, will continue our effort to persuade them to give us our legitimate share in their market.

5. The only relief that has come to Pakistan during this year is our bilateral discussions with the United States. As the distinguished delegate of the United States said, we expect that formal notes will be exchanged between our two Governments shortly.

6. In conclusion, Mr. Chairman, we would like to say that all along we have been very unhappy with restrictions on our exports. These restrictions have seriously reduced the opportunities available to us to earn foreign exchange which we need so desperately for our economic development. And today we hardly need to say how anxiously we look forward to their disappearance.