

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5647
4 May 1984

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IMPROVEMENT OF WORLD TRADE RELATIONS THROUGH THE IMPLEMENTATION OF THE WORK PROGRAMME OF GATT

The following communication, dated 2 May 1984, has been received from the delegation of Uruguay on behalf of developing countries contracting parties to the GATT with the request that it be circulated to all contracting parties, for discussion at the Council meeting on 15 May 1984.

1. Developing countries contracting parties to the GATT note with growing concern the continued worsening of the international economic environment for themselves and for developing countries in general. They are convinced that this adverse situation which is characterized by growing trade deficits, severe balance-of-payments disequilibrium and stagnating social and economic development cannot be overcome and resumption of adequate rates of social and economic development cannot be achieved without greatly improved access for their exports to the markets of the developed countries. They believe that such expansion of developing countries' exports will be an important contribution to recovery in world trade and economic activity.

2. Previous rounds of trade negotiations have failed to ensure additional benefits for developing countries. Indeed, since the completion of the latest such round, there has been further intensification of restrictive trade measures by the developed countries against the exports of developing countries; this has created for the developing countries an untenable situation, which unless immediately addressed, threatens to engulf the entire world economy. Developing countries, contracting parties to the GATT, strongly urge the developed countries to immediately take adequate measures to redress the present imbalance which characterizes the situation of developing countries. The need for emergency actions has been further underscored by the increasingly serious financial situation of developing countries and the unanimous realization that eventual solutions in the financial field will not be adequate unless reinforced by sustained expansion of their export earnings.

3. Specifically, the developing countries contracting parties to the GATT call upon the developed contracting parties individually to:

- (i) implement promptly their undertaking to lift any measures inconsistent with GATT, or not based on specific GATT disciplines, which restrict or have the effect of restricting exports of the developing countries to their markets, and refrain from introducing new ones;

- (ii) abstain from applying to imports from developing countries any safeguard measure inconsistent with Article XIX of the GATT;
- (iii) abstain from invoking the provisions of the Subsidies Code regarding the effect of subsidization by developing countries of their exports to third country markets;
- (iv) exercise utmost restraint in countervailing and anti-dumping procedures against imports from developing countries, fully utilize executive powers to dismiss, suspend or revoke actions, as well as refrain from initiating new procedures.

4. In the field of multilateral actions, the developing countries call upon the developed countries to:

- (i) take immediate steps to liberalize their import regimes for textiles and clothing, having in mind that the Multifibre Arrangement constitutes a major derogation from the rules of GATT, and work out a time-frame for the return of trade in this sector to the GATT disciplines. In the interim the new protectionist measures recently introduced should be promptly rolled-back;
- (ii) agree to engage in a serious effort, on a priority basis, to implement all other aspects of the current GATT Work Programme of particular interest to the trade of developing countries, starting with the implementation of the commitments contained in paragraphs 5 and 7 of the Ministerial Declaration of 1982 and particularly immediate measures to eliminate quantitative restrictions and other non-tariff measures as well as barriers to their exports of agricultural and tropical products;
- (iii) give special attention to the particular situation and problems of the least-developed among the developing countries and to ensure that these countries receive special treatment in the context of any general or specific measures taken in favour of the developing countries.

5. The adoption of the above-mentioned measures by developed countries would amount to no more than fulfilling previously accepted commitments. Such undertaking should be taken by the developed countries in the spirit of faithful implementation of Part IV of the General Agreement in keeping with the principle of differential and more favourable treatment for developing countries. Similarly, and with the same spirit and motivation, developed contracting parties should extend and improve their GSP schemes on the basis of the principles of non-discrimination and non-reciprocity, and should refrain from graduating products out of their GSP schemes.

6. The developing countries contracting parties to GATT believe that the honouring of the commitments and implementation of the measures as elaborated above will have to be demonstrated and sustained over a period of time in order that the extremely adverse international economic environment confronting them may be mitigated and a minimal degree of fairness in multilateral trading relations be achieved. They further

believe that, in view of the negative impact that inaction in this field would have for the GATT, it is the responsibility of the CONTRACTING PARTIES to act in a manner that ensures the fulfilment of the commitments entered into by their Ministers. The main task now before the international trading community is the completion of the Work Programme laid out by the GATT CONTRACTING PARTIES at Ministerial level in 1982. In this context, urgent and undivided attention must be given to the implementation of measures and commitments contained therein which would benefit the trade of developing contracting parties. Unless and until the work programme is fully implemented in this manner any initiative such as a new round of negotiations in GATT would be lacking in credibility and devoid of relevance particularly for developing countries.