

**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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THAILAND: STATEMENT BY M.E. PRACHUAB CHAIYASAN, DEPUTY MINISTER  
OF COMMERCE, AT THE MEETING OF THE GATT CONTRACTING PARTIES  
AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,  
PUNTA DEL ESTE, URUGUAY

Let me begin by offering to you the sincere congratulations of my delegation on your election as Chairman of this historic meeting. I have had the privilege of working closely with you in the past, and I have the utmost admiration for your leadership and wisdom. I am confident that despite the difficulties that may confront us in the next few days, you will guide our deliberations to a successful conclusion.

Let me also express our deep appreciation to the Government of Uruguay for convening this meeting in this beautiful resort of Punta del Este and for the generous hospitality accorded to us all.

My delegation wishes to take this opportunity to express our heartfelt gratitude to His Excellency Mr. Sanguinetti, President of the Oriental Republic of Uruguay, for having come to inaugurate this meeting despite his busy schedules. His opening address is both highly inspiring and deeply sagacious. It goes right to the heart of many issues that will determine the future of the world trading system. It certainly sets the right tone for this meeting.

I am also happy to endorse the very appropriate proposal, put forward by the distinguished Minister of Foreign Affairs of Japan, that the up-coming round of negotiations be called the "Uruguay Round".

Thailand acceded to the GATT a few months before the Ministerial meeting in 1982. Our accession was based on the belief that the interests of a small trading nation can best be protected by a multilateral trading system. We still hold on to that belief, even though protectionistic measures adopted by a number of countries in the recent past have eroded the value of the GATT system as a guarantor of free and fair trade for all contracting parties, big or small.

The slowdown in the world economic growth in the past decade, accentuated by the severe global recession in the early 1980s, has led to a deceleration of growth in international trade. Strong and persistent trade imbalances of some major industrialized countries which are largely a result of their domestic economic policies, have led them to adopt an inward looking policy that invariably contains all sources of trade

restrictive or distorting measures inconsistent with the provisions of the GATT. We have also seen in the past few years the increasing use of large-scale export subsidies to dispose of agricultural surpluses on to the world markets to the detriment of all fair agricultural traders.

In short, the GATT system is being tested as never before, and it has been found to contain many weaknesses which, if not rectified, will slowly and surely lead to its downfall.

Despite its shortcomings, we still believe that if all nations gathering here will exercise their political will to reconcile what is desirable internationally with what is feasible domestically, the strengthening of the GATT system in a time of difficulty is certainly possible. That is why we have supported the initiative to launch a New Round of multilateral trade negotiations. That is why we have worked diligently and constructively, together with other contracting parties, in the preparatory process leading to this meeting in Punta del Este.

The President of Uruguay, in his opening address, has emphasized the long-standing problems of trade in agriculture. This is also an issue of vital concern to Thailand.

It is common knowledge that although the General Agreement provides adequate rules and disciplines for trade in manufactures, it is sadly lacking when it comes to trade in agriculture. The provision on quantitative restrictions and export subsidies, for example, are so vague as to become meaningless. No wonder then that major industrialized countries have time and again exploited these loopholes to establish undue restrictions on imports on the one hand, and to dump structural surpluses, which are a direct result of their farm policies, on to the world markets at hugely subsidized prices, on the other. As a consequence, the equitable market shares of many efficient agricultural producing countries are unfairly taken away from them. This, coupled with the depressing effects on world prices, has meant serious shortfalls in export and foreign exchange earnings for these countries, many of which are poor and heavily indebted.

These problems have persisted for decades and have reached a stage of crisis in the recent past. The "Uruguay Round" provides a rare opportunity to tackle them squarely and boldly. The problems cannot be solved if we shy away from them. We must therefore accord high priority to the issue of trade in agriculture. We must also ensure that all questions relating to this issue be dealt with effectively and comprehensively in the early phase of the negotiations. In this connection, we urge that:

- all countries accept a firm and credible commitment on standstill and rollback in all areas of trade in goods, including

agriculture, and that appropriate multilateral surveillance be implemented to this end;

- all barriers to markets, be they tariff or non-tariff, including grey-area measures be reduced and eventually eliminated;
- subsidies affecting world trade must be reduced and eliminated within an agreed time period;
- GATT provisions relating to trade in agriculture must be improved and strengthened to ensure greater discipline in this area.

We also attach great importance to the issue of tropical products. Negotiations in this area should commence as early as possible, and their results should be implemented without delay. Negotiations should cover all stages of tropical products, processed or semi-processed or in raw forms, and should cover all barriers to market access.

Let me conclude my remarks by assuring you of the full support and co-operation of my delegation during this meeting. We shall work with a positive spirit toward the launching of the "Uruguay Round", which we hope will ultimately bring about an improved and strengthened GATT system, on the basis of which freer and fairer trade will contribute to a higher standard of living for all people.