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A review of the developments in the trading system since the Forty-First Session of the CONTRACTING PARTIES makes it clear that the two most obvious trends during this period have been the continuation of protectionist pressures in the major industrialized countries, and trade actions taken with scant respect for the rules and principles of the General Agreement.

Indeed, the first chapter of the GATT report on International Trade (GATT/1392) which was released just before the Punta del Este meeting clearly identified these trends,

"... the drift away from the principle of non-discrimination, the increased reliance on quantitative restrictions and other NTMs, the growing use of market-sharing arrangements, and the spread of subsidization."

The two sectors of trade most seriously affected by these trends have been agriculture and textiles and clothing. In respect of trade in textiles and clothing, particularly, which is so important to India's trade, we have on several occasions expressed our deep disappointment over yet another extension to the Multifibre Arrangement. This is a clear manifestation of the same protectionist pressures and the reluctance to adhere to GATT rules and disciplines, which we have noted as the two most disturbing trends in the multilateral trading system.

Thus, the launching of a new round clearly represents a challenge to us all, and particularly to the major developed trading partners to demonstrate the necessary political will to curb the protectionist trends and to reaffirm the commitment to the rules and principles of an open, non-discriminatory trading system. Part I of the Punta del Este Declaration lays out a comprehensive programme of negotiations in all aspects of trade in goods under GATT. Although it does not lay down any priorities for the negotiations, it is clear from the review of developments in the trading system that priority attention needs to be given to a comprehensive agreement on safeguards, given the continued proliferation of grey area measures. Attention must be given to agriculture, where protective barriers have reached phenomenal levels and where subsidies have distorted the patterns of trade beyond recognition and where most of the trade disputes have arisen. The issue of trade in

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textiles and clothing returning to the normal framework of GATT must also remain high on the agenda considering that together with agriculture, the two sectors account for the major share of developing countries' exports, and 20 per cent of world trade. We shall not accept any move to accord lower priority to these subjects.

In the context of the Uruguay Round, the commitments on standstill and rollback of protectionist measures are of foremost importance, and indeed, an essential prerequisite for the negotiations. Here, we would like to stress the need for immediate establishment of an adequate and effective surveillance mechanism to ensure that there is no dilution of these important commitments entered into at the level of ministers on behalf of contracting parties.

In addition, we expect to see progress in the negotiations in other areas as well, such as tropical products and the improvement of the dispute settlement mechanism.

As stressed in the Punta del Este Declaration the negotiations must pay special attention to the needs of developing countries, and ensure the improved application of differential and more favourable treatment for them in each of the areas for negotiation, as well as in the context of the review of the MTN Codes.

While the significance of the launching of the Uruguay Round is undeniable, we must also recognize that adherence to existing GATT rules and principles will itself mark a substantial progress in the existing world trade situation. My delegation would like to reiterate this in order to underscore the need for adequate attention to the normal functioning of the GATT mechanisms.

Finally, Mr. Chairman, we would like to join other delegations in paying tribute to your stewardship of the CONTRACTING PARTIES during this momentous year.