

GENERAL AGREEMENT ON

SR.44/ST/4

18 November 1988

TARIFFS AND TRADE

Limited Distribution

CONTRACTING PARTIES
Forty-Fourth Session

Original: English

BANGLADESH

Statement by H.E. Mr. Harun-Ur-Rashid Ambassador, Permanent Representative

At the outset, please allow me to express, on behalf of my delegation and myself, our deep appreciation to you for steering the work of the CONTRACTING PARTIES in the most commendable manner in the course of the current year. We would also like to commend the Director-General of GATT and the GATT secretariat for making available to the participants in time relevant documents for the Session.

According to the GATT economists, both 1987 and the first half of 1988 augured well for world merchandise trades which expanded by an estimated 5 per cent, in volume terms, during these periods compared to 4 per cent in 1986 and an average of 3 per cent during the period 1980-87. The expansion in world merchandise trade is leading that of world output by 2 percentage points, a level close to that of the 1960s (2.5 per cent). It is, however, noted that exports from the developed countries in 1987 expanded at a rate of 100 per cent higher than that of 1986, while the expansion of exports from the developing countries slowed down to 66 per cent of the 1986 rate (9 per cent).

The structure of world merchandise exports is dominated by manufacturing, which accounts for 69 per cent of the total export value of US\$2,475 billion, and the remainder is accounted for by primary commodities. Disguised in this structure is the effect of terms of trade. It would be interesting if the GATT economists could make an in-depth enquiry into the impact of such a structure on the growth of the wealth of nations, particularly the nations of the developing world.

It has been recognized by the GATT economists that the expansion in world trade has not fulfilled the widespread expectation of faster growth in the world economy, primarily because of the growth-retarding effects of debt and changes in exchange rates, interest rates as well as prices, on investment and output.

The international community is watching with interest the negotiation of the United States - Canada free-trade area arrangements as well as the headlines regarding the movement of the European Communities towards the single European market of 1992. This development and developments in international trade policy during 1987 and 1988 are sources of interest and concern.

As stated in its report, the Surveillance Body had before it an unusually large number of alleged breaches of standstill commitments. In the area of rollback, apart from a conditional offer made by the European Communities, a considerable number of consultations on specific requests have not led, so far, to any actual rollback undertakings. It is indeed disconcerting that despite the commitment of the contracting parties on standstill and rollback, the protectionist pressures, by way of discriminatory unilateral and bilateral measures, protectionist laws and increasing recourse to grey-area measures, continue to erode the GATT rules and disciplines and carry the risk of undermining the Punta del Este Declaration and the negotiating process launched by it.

The critical importance of trade in textiles and clothing for the developing countries is well known. It has been emphasized in all the relevant fora that any effort for trade liberalization can be effective and meaningful only if trade in textiles and clothing can be substantially liberalized. At present, the trade in this sector is conducted under the Multi-Fibre Arrangement, an arrangement outside and in derogation to GATT rules and disciplines. In the Punta del Este Declaration, the Ministers, therefore, have stressed the need for formulating modalities that would permit the eventual integration of this sector into GATT. In this context, we would like to put on record our deep appreciation to the US Administration and the President of the United States for vetoing the US Textiles and Apparel Act, 1988.

An issue of great concern to my delegation relates to the trade of the least-developed countries. In the past much has been done to identify the specific obstacles facing these countries. The results had, however, been rather meagre towards ensuring the complete duty- and quota-free access of their products in the international market. The Punta del Este Declaration has rightly emphasized the problems of the developing countries in general and the special problems of the least-developed countries in particular. It has also underscored the need for expeditious implementation of the relevant provisions of the 1982 Ministerial Declaration concerning the least-developed countries. It is in this context that my delegation, on behalf of the least-developed countries, submitted a communication highlighting some preliminary proposals for consideration of various negotiating groups. We hope that this will be dealt with as a priority item in the negotiations, covering all aspects of tariff and non-tariff measures and sectors like textiles and clothing, tropical products, agriculture and natural resource-based products, among others.

This Session of the CONTRACTING PARTIES has a special significance as it not only marks the end of the second year of the Uruguay Round of trade negotiations - another year of intense negotiations by the participants - but also is taking place on the eve of the mid-term review meeting of the TNC, at Ministerial level, in Montreal. During the last two years, many and varied proposals emerged from a large number of participants. The task now is to find out for each area of the negotiation a common basis for agreement. The Session provides us with an opportunity to make a pre-Montreal assessment of results achieved so far as well as to look ahead to the imperatives on the part of the participants for reconciliation and adjustments in their positions so that the Montreal meeting can live up to hopes and the aspirations of the participants in achieving the objectives established by the Punta del Este Declaration.