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Statement by H.E. Mr. Ahmad Kamal Ambassador, Permanent Representative

The annual session of the CONTRACTING PARTIES is an occasion to take stock of GATT's activities and developments in the trading system during the year.

Undoubtedly, the major thrust of work this year has been in the context of the Uruguay Round. And within that, we saw the culmination of a momentous event in the history of the various rounds of multilateral trade negotiations held under GATT's auspices.

In the successful completion of its mid-term review, the Uruguay Round escaped what could have turned out to be a major disruption. Indeed, it is a tribute to the collective will and wisdom of the CONTRACTING PARTIES that they were able to give a positive direction to the negotiations in the Round. While successful in this essential respect, it also underscored the fact that for a successful conclusion, the Round will have to produce a balanced package of results to the satisfaction of all participants, big and small, developed and developing. It also became clear that problems in areas of major interest to developing countries, such as textiles, tropical products, agriculture and a safeguards system developed on the basis of essential GATT principles will have to be resolved alongside the issues of primary concern to the major trading partners.

Obviously, the participation of developing countries, such as Pakistan, in the GATT or in a round of multilateral trade negotiations centres on the contributions that such participation can make to those countries' development process. Development is the key of their efforts in the economic and social fields. And it is this over-riding concern for the development of their economic and social objectives that the developing countries have been taking an unprecedented interest in the conduct of the Uruguay Round -- indeed in the affairs of the GATT itself. Unfortunately, the attention being given to the development of developing countries through the Uruguay Round is not commensurate with their needs and concerns. This serious gap needs to be filled urgently so as to restore the confidence of the developing countries in the ability of the GATT to solve their problems. We shall have occasion to highlight the concerns of

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the developing countries like Pakistan in the Uruguay Round process, in the meetings of the Group of Negotiations on Goods and the Trade Negotiations Committee later this month. For the present, suffice it to say that for the continued commitment of developing countries to the open trading system, it shall have to meet their developmental aspirations.

With respect to the regular activities of the GATT, it is a cause for satisfaction that the expansion in the volume and value of trade has continued at a healthy pace. At US\$ 2,880 billion, world merchandise trade in 1988 reached a new record. Indeed for the world economy as a whole, the year 1988 was a very good year. This apparently healthy picture, however, masks the fact that while developed market-economy countries continue to experience the longest economic expansion of the post-war period, most of the developing countries continue to stagnate or even worsen. Only major exporters of manufactures, particularly in East Asia, continue to perform well. In fact in the developing world, growth performance is extremely uneven: a few countries are growing steadily on the basis of high levels of investment, domestic and foreign; the majority, however, are either stagnating or in retrogression.

On the trade policy front also, the picture is not free from a number of disturbing trends. There continues to be a rapid process of carving out world trade into blocks of bilateral and regional arrangements. Worse still, there is a rapid erosion of the principles, norms and rules governing the multilateral trading system. We are witnessing increasing resort by some of the major economic powers to unilateralism and sectorialism. Unilateralism or arbitrariness is turning out to be a rule rather than an exception. This obviously is resulting in an increasingly protected trading environment, particularly in areas of major export interest to the developing countries. Discriminatory quantitative restrictions against their exports and an aggressive use of anti-dumping and countervailing measures stand out in this regard. Ironically, 20 per cent of developing countries' exports face non-tariff barriers -- about twice the share of industrial country exports.

Despite these negative trends, Pakistan continues to support the multilateral trading system, because we are convinced that multilateralism is the only way to resolve problems in an interdependent world. It is only through such co-operation that nations can set in motion a true phase of growth and development which remains the final objective of our endeavours.