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PROGRAMME FOR THE EXPANSION OF INTERNATIONAL TRADE

Statement by the Representative of the United Arab Republic on 13 November 1967

We are grateful to the Director-General for having proposed the inclusion of Item 3 in the agenda for this twenty-fourth session of the CONTRACTING PARTIES. The programme for the expansion of international trade should indeed at this juncture constitute the cornerstone of our activities, especially following the conclusion of the Kennedy Round which was outstanding among the endeavours undertaken by GATT in its twenty years of existence.

Before looking to the future, it is appropriate quickly to glance at the recent past. We find that the gulf between the rich and the poor countries is widening. Similarly, the aid granted by the developed countries to the developing countries is at present undoubtedly going through crisis. At a time when the developing countries are in great need of still more external aid in order to supplement their internal resources and carry out development plans, we find that the volume of such aid is falling off, that the terms for granting it are becoming stiffer and that the amounts necessary for debt servicing are increasing. In view of this state of affairs, the developing countries are more than ever obliged to rely on their export earnings in order to be able to import the machinery and raw materials essential for their development.

In this respect, the Kennedy Round seemed to these countries to offer great hopes as well as an unique opportunity to find new outlets for their exports, and thus increase their export earnings. But despite all that these recent trade negotiations have contributed to world trade as a whole, they have brought no solution to the major problems of the developing countries.

Having said that, it would not be surprising if in commenting on Mr. Wyndham White's suggestions one should be concerned first over the need for promptness and urgency in future action.

In general, we are in agreement with the suggestions made by our Director-General, so that the studies proposed should not divert us from the immediate need for action in fields of interest to developing countries.

Turning now to the question of tariff and non-tariff barriers, we recognize that it is desirable to continue to strive towards overall trade liberalization, in both the industrial and agricultural sectors. In our view, however, such a programme comprises two distinct phases - the immediate and the long term. In the immediate future, we believe that the most urgent action is to consolidate the results of the Kennedy Round for the developing countries and to ensure the advance implementation of those results, because if there is no advance implementation the benefits accruing to the developing countries from the trade negotiations will be without substance, or will lose much of their value. In addition, and in accordance with the implementation of Part IV, progress must be resumed in the desired direction, by establishing a mechanism for negotiations between developed and developing countries with a view to finding solutions to problems to which the developing countries attach a great deal of importance. For this purpose, it should be borne in mind that if such a new mechanism is to be really effective it must take the utmost account of the experience gained in the Kennedy Round, which showed in many respects that the procedures used as a basis for the negotiations did not make it possible to take account of the special problems connected with the advancement of the developing countries.

With respect to non-tariff barriers, we would hope also that the approach adopted will take into account the fact that, in certain specific sectors, the non-tariff barriers are sufficiently well-known to make immediate action feasible. This will in no way preclude studies to identify other barriers, nor would it hinder any future action in this regard.

In the agricultural sector, I believe that we are all agreed that the progress made is minimal; it would be desirable to proceed according to the guidelines proposed by Mr. Wyndham White with a view to finding a solution to the very important problems affecting products of interest to a large number of developing countries.

As regards the trade of developing countries, what is essential is the new philosophy that GATT adopts with respect to the problems of developing countries. Our Chairman was absolutely right when he said in his opening statement - and I quote: "It will be necessary for the General Agreement to provide for special treatment in many sectors of commercial policy until the economies of all the Member States are sufficiently strong to derive equitable advantage from the provisions relating to equal treatment and equal opportunities." Later in the same statement, he also said: "What is significant is not only the growing concentration of attention on the removal of obstacles to the trade of developing countries but also the increasing willingness to resort to other measures designed to enable the developing countries to participate in, contribute to and gain from the expansion of world trade in a measure commensurate with their resources."

In the spirit of this line of thought, we believe that the developed countries will be able to substantiate our hopes regarding a system of general preferences such as will probably be defined and adopted at the second UNCTAD conference in New Delhi.

We are in full agreement with the Director-General's proposal concerning the future activities of the International Trade Centre. The developing countries must be helped to avail themselves of the new opportunities opened to them as a result of the Kennedy Round, so that potential benefits may become reality.

We have carefully considered the new procedure proposed in document L/2875. While we are in favour of development plans' studies carried out in a group of experts and considering the relation between trade and aid, we think that an amalgamation of such studies with the procedures for balance-of-payments consultations would not be desirable and might be misconstrued.

As regards the expansion of trade between developing countries, we can only reaffirm our interest in this question. We took part in the preliminary negotiations between developing countries in the context of the Kennedy Round, and declared our intention of participating in the future negotiations envisaged in that connexion. Accordingly, we concur with the Director-General's proposal for the establishment of a trade negotiations committee, the rules and procedures for which will be examined in the near future. In addition, we are persuaded that the developed countries will spare no effort to help the developing countries to carry out negotiations among themselves.

Lastly, so far as East-West trade is concerned, we can congratulate ourselves on the pragmatic approach that GATT has adopted vis-à-vis the socialist countries with planned economies. Indeed, the development of trade between those countries and the developed countries will be beneficial for the trade of developing countries. We take this opportunity to congratulate Poland on its accession to the General Agreement, and we welcome the observers of Hungary and Bulgaria.

To sum up, we should like to emphasize the following points:

- (1) The need to persuade Statesmen to renew their promises of resolute efforts in order to adapt trade policies to development needs;
- (2) The need to formulate an action programme taking into consideration the urgency of problems touching on the foreign trade of developing countries;
- (3) The need to establish sound and fruitful co-operation between GATT and UNCTAD in all fields where such co-operation is feasible.

Lastly, we wish to reaffirm our faith in the objectives of the General Agreement and in its rôle in the field of international co-operation.