

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.24/58

5 December 1967

Limited Distribution

CONTRACTING PARTIES
Twenty-Fourth Session

Original: Spanish

REVIEW OF THE WORK OF THE CONTRACTING PARTIES AND FUTURE PROGRAMME

Statement by S.E. Dr. J. Encinas del Pando,
Ambassador of Peru, on 23 November 1967

If we look back on the twenty years of existence of GATT, we realize the long and fruitful career of this organization. We will just briefly refer to the famous and regretted Havana Charter, the Dillon Round and the Kennedy Round; along with these we should like to refer to the driving force behind our organization. You will realize that I am referring to our distinguished Director-General, Mr. Wyndham White.

This occasion is certainly a solemn one and it is not just by courtesy that, on behalf of my Government and my delegation, I extend the most cordial welcome to the Ministers of State who have come to Geneva for this session. I am asked by the Government of Peru to express its regret at the impossibility of inviting its own Minister to take part in these important negotiations.

Before continuing, I believe that I should explain that I am speaking specifically as the delegate of Peru and expressing exclusively the view points of the Peruvian delegation.

I shall several times have to allude to agreements reached by the informal group of developing countries but at no time shall I speak as the Chairman of this informal group.

After twenty years of work by GATT and a series of difficult, but enriching experiences which the CONTRACTING PARTIES have had (without excluding the developing countries) we now have to look towards the future. I should not be sincere if I did not say that my delegation and my Government duly appreciate the difficulty for many contracting parties of committing themselves and undertaking specific negotiations at this time. My delegation feels that, although it is difficult to hope for new commitments, it would not be exaggerated to believe that those already acquired in our negotiations in GATT will be applied and extended.

Like other contracting parties, Peru has just emerged from such a very important negotiation as the Kennedy Round and is on the threshold of another one which will be equally important, i.e. the second meeting of UNCTAD in New Delhi. As a developing country it has also just come from the meeting of Ministers of the "Group of the Seventy-Seven" in Algiers. At this meeting the developing countries

took a stand and, what is perhaps more important, proclaimed a hope. I shall not make any reference to the important points of the Algiers Charter which, I am sure, is already a matter for detailed study and analysis by the various Ministries of the contracting parties present here.

I should merely like to point out that the Algiers Charter which was a result of devotion to development and the economic and social urgency of eighty-six countries, clearly points out a path for these developing countries which, through the twentieth anniversary of GATT and this session of the CONTRACTING PARTIES, will culminate in the second meeting of UNCTAD in New Delhi.

However, I should like to make a specific allusion to the most important negotiation in the annals of Western trade history - the Kennedy Round. My country feels that these negotiations are an unprecedented step forward in the process of expanding international trade and the common destiny of us all which is to reach greater economic and commercial integration.

The Kennedy Round has abundantly shown how far international trade can be increased between countries which are highly developed and industrialized, whatever may be their economic and commercial procedures. Unfortunately, the Kennedy Round has not shown that the trade of developing countries can be increased in a similar satisfactory manner. In fact, the experience of the last decades of international trade seems to reflect a different reality, since the relative foreign trade position of the developing countries, as you know, far from increasing, is showing an obstinate tendency to decrease.

In connexion with the Kennedy Round, the developing countries were obliged to express their dissatisfaction at the fact that, at the end of the negotiations, there remained outstanding subjects of the very greatest importance for their commercial and economic situation. Some of the outstanding questions are of the greatest concern to the developing countries. I am referring to immediate action to obtain greater reductions in duties for the products of the developing countries, the problem of tropical products and the problem of compensation for loss of preferences.

In this twentieth anniversary of GATT it is as important to see what may and should occur in the future as to review the past. That is why we are all meeting here now. In the first days of the plenary meeting of this session of the CONTRACTING PARTIES we listened to important speeches reflecting anxiety and making proposals for the immediate future of GATT. My delegation had the opportunity at that time to express its specific standpoint. I should now like to take advantage of this opportunity not only to reiterate, but to confirm, its faith in our organization.

As a result of these statements made during the deliberations of the CONTRACTING PARTIES, a drafting group was set up with the Director-General, Mr. Wyndham White, in the Chair, to extract from these differing viewpoints a kind of digest as a basis for the distinguished Ministers who are now visiting us to devise a final version of what might be a future programme for GATT.

This drafting group has worked with devotion and has produced document W.24/29 which I believe is in the hands of the Ministers who are attending this session. It is only a preliminary document and I would repeat that it was designed merely to provide the Ministers with basic ideas and suggestions towards a final draft. I am afraid that for this reason perhaps the document contains a number of square brackets. From what I know of the position of the developing countries, which will very shortly be submitted in writing, they would be very pleased to see the following points inserted in the programme of future action for GATT. This will mean sometimes coincidences and sometimes discrepancies with the document I have quoted. I would repeat that I am now talking only as the delegate of Peru and not in any other capacity.

From a document which I know has been prepared by some of the developing countries, the following points would be of specific interest for these countries:

1. immediate reduction of duties in favour of the developing countries;
2. further reductions in duties for the products of special interest to the developing countries;
3. the solution of problems affecting international trade in tropical products;
4. access to markets by the elimination of para-tariff and non-tariff barriers, for which the setting up of an inventory of non-tariff barriers would be welcome;
5. a specific interest in a scheme of general preferences without discrimination and reciprocity on which, as you know, conversations are already far advanced and, let us hope, will be fruitful. This scheme would not exclude a system of compensation for loss of preferences in favour of countries which would be harmed by the establishment of these preferences;
6. promotion of exports, both intensive and extensive;
7. organization of negotiations or adoption of equivalent means to solve the problems outstanding from the Kennedy Round.

It would also be interesting, at least for my delegation, that studies should be made on the economic and commercial situation of developing countries. For example: an assessment of the general incidence of customs duties on products the exportation of which is of special interest to the developing countries; an examination of the effects of specific customs duties on given products of concern to the developing countries; exploration of the possibilities of binding existing exemptions, eliminating customs duties of minor importance and allowing the customs-free import of industrial raw materials.

As regards primary products, within the field of specific action, my delegation thinks that an examination might be made of all pertinent elements in the policies of support of protection of agriculture together with a common survey of trade problems, with the aim of facilitating better conditions of access to world markets for agricultural products in which the developing countries are particularly interested.

As regards manufactured and semi-manufactured products, my delegation considers that, in the developed countries, measures might be taken to discourage the anti-economic production of articles competing with products from the developing countries. An immediate examination could also be made of the problems involved in the transfer of modern technology to the developing countries so as to promote their trade and production in general.

These are some of the ideas that occur to the Peruvian delegation. My delegation and my Government are sure that GATT, in the important, though limited sphere of its activities, will not turn a deaf ear to these pleas and, to guarantee its future action and its past achievements, will take the path that the developing countries so earnestly desire.

I am sure that some developing countries may ultimately have some concrete suggestions to offer on the future programme of GATT, suggestions which will reinforce the exchange of views on this important point.