

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.TNC/W/45

29 November 1990

Special Distribution

Trade Negotiations Committee

Original: English

STATEMENT BY THE REPRESENTATIVE OF BANGLADESH

At the meeting of the Trade Negotiations Committee held on 26 November 1990, the representative of Bangladesh made the following statement.

I am making this statement, on behalf of the least-developed countries for record, in extensio, in the proceedings of today's meeting of the Trade Negotiations Committee (TNC).

The least-developed countries are the most disadvantaged and vulnerable amongst the developing countries. The concerns expressed by the developing country delegations, who took the floor before me, are also our concerns, perhaps even deeper to the extent LDCs are further disadvantaged compared to the LDCs in the GATT parlance.

I would like straightaway to flag some of the specific concerns of the least-developed countries on whose behalf my delegation, it may kindly be recalled, submitted specific proposals to different Negotiating Groups. Our proposals, in essence, seek market access, free of all tariff and non-tariff barriers for products of the least-developed countries. Based on the core elements of these submissions in the market access and rule-making areas, we have drawn and communicated to the TNC a Draft Decision (MTN.TNC/W/34) for adoption by the CONTRACTING PARTIES as an integral part of the results of the Uruguay Round. I would, accordingly, invite attention of the participants to this Draft Decision for their earnest consideration so that the Draft Decision can be adopted at Brussels.

We recognize that there is yet to be a text on agriculture. In any arrangement in the agricultural area for bringing about reforms and new disciplines, we would urge upon the participants to keep in view the development dimension of the least-developed countries and to provide for adequate food aid to offset the likely erosion in the least-developed countries' purchasing power of food as well as direct financial and technical assistance for development of their agricultural sector.

The least-developed countries, which are net food importers, are going to be adversely affected, at least in the short-run, by the reform process in the agriculture sector. The shape and content of the envisaged food-aid package to compensate erosion in their purchasing power of food is, therefore, of utmost concern to them. In this context, we urge upon the participants to work out, as an integral part of the agricultural reform programme, details of the food-aid package, including, inter alia, identification of sources contributing to the pool of food aid and institutional arrangements for effectively reaching food aid to the adversely affected countries.

We would also like to submit that in the negotiation on agriculture, the least-developed countries should not be required to undertake any obligations which would thwart their development efforts and that they be exempted from the requirements of making submissions, which would pose serious burdens on their administrative and institutional infrastructure.

In any arrangements in the new areas (TRIPs, TRIMs and Trade in Services) participants are called upon to keep in view the development dimension of the least-developed countries and their access to needed technologies, through the instrumentality of national policies and legislations.

In any framework agreement or arrangement on trade in services, special provisions for unhindered movements of and temporary residence for the least-developed countries' service providers, including their skilled, semi-skilled and unskilled work force, into the markets of service consumers as well as adequate provisions for technical and financial assistance to the least-developed countries for broadening the production and export bases of their service sectors should be ensured. Further, that the least-developed countries' stage of development, their particular situation and problems would not enable them to take any initial commitments in the services framework needs to be recognized.

Mere time derogation would not help the least-developed countries as long as they continue to remain least-developed. We maintain that, as part of special treatment to them, the least-developed countries should be the beneficiary of all contributions and concessions agreed upon in all areas of negotiations, without requiring them to undertake any obligations or to make any concessions or contributions corresponding to any degree of reciprocity, whatsoever. The prospect of eradicating their underdevelopment is likely to be more in sight if the least-developed countries, inter alia, are allowed full market access globally without placing any reciprocal demand on them and, as a matter of right, this is enshrined in the GATT.

Bangladesh, despite being a least-developed country and having further debilitating socio-economic parameters unique to her situation (e.g. grave resources to population ratio, huge unemployment and underemployment,

pervasive poverty, a huge balance-of-payments gap and a population of over 110 million crammed in a mere 144,000 km<sup>2</sup> area), partly out of practical consideration and partly with a view to making its token contribution to the historic trade liberalization process that the Uruguay Round is set to achieve, has offered to bind her tariffs in respect of thirty-six products at the ceiling level of 50 per cent. The average of these bound tariffs represents a substantial reduction over the average of statutory/applied tariffs on these products.

Further, Bangladesh in pursuance of her policy of gradual liberalization of non-tariff measures, has adopted the following measures with a view to eliminating or reducing the impact of a number of non-tariff barriers:

Change from positive to negative list of importables. Import policy orders issued annually by the Government till the financial year 1985 were based on a positive list, i.e. a list of only those items which were permissible for import. The import policy order of financial year 1986 replaced the positive list by a banned and a restricted list. This was a major qualitative change in the import régime since any item not included in the two lists could be imported without any quantity or value limit. In the financial year 1988, the two lists were combined into a single control list as a step towards improved transparency in the import régime.

Reduction in the size of the control list. Bangladesh has been drastically reducing the size of the control list since financial year 1987. In terms of 4-digit Harmonized System Headings, 120 entries were removed from the control list in the financial year 1988, 182 entries in the financial year 1989 and 128 entries in the financial year 1990. In July 1990 the control list was further reduced by freeing seventy entries at 4-digit level. Bangladesh plans to remove all remaining items from the control list within the next 2-3 years, except a limited number of items which would remain in the control list on grounds of health and environment, social, religious and security reasons.

Introduction of Harmonized System Code. Bangladesh adopted the Harmonized Commodity Descriptions and Coding System with effect from 1 July 1988. As a result, classification for trade documentation, tariff assessment and the maintenance of trade statistics have shifted over to the new system in line with the world-wide trend.

Abolition of import licence/permit. Previously no items could be imported without the cover of a valid import licence/permit. Between 1976 and 1985, import licensing was abolished in stages, first for commercial imports and subsequently for all categories of imports. Since 1986, any importer can go to a bank and open a letter of credit without requiring any permission from any authority.

Foreign exchange allocation not required for import. In the past, importation could be made only against specific foreign exchange allocations given by the Government. No such allocation is now required. Importers are free to buy foreign exchange from the Secondary Exchange Market (SEM).

Unification of exchange rate. The margin between the official rate and the rate in the secondary exchange market has been narrowed down gradually over the past years. At present, the margin in the two exchange rates is less than 2 per cent and the Government is committed to adjust official exchange rates, on a continuing basis, so that the margin between the two rates is maintained within that band.

Tariffication and tariff transparency. The reduction in quantitative restrictions has been accompanied by further steps for rationalization of tariff structure including, inter alia, limiting the high tariff levels and strengthening tariff assessment mechanisms. To improve transparency, all applicable import duties, taxes, fees etc. have been brought together for each item (at 6-digit HS level) in a single table which is expected to be published by the end of 1990 for public use.

While we like to invite the attention of the participants to our token contribution as well as to the autonomous liberalization measures implemented by Bangladesh for appropriate recognition and credit, we would at the same time stress that these measures by Bangladesh in no way be construed as a dilution of, or a departure from, her stand on special treatment in recognition of her least-developed country status.

Concern for national economic security should enhance rather than reduce the value of a framework of rules. Rules are particularly important for the weakest amongst the members of the international community. But rules must not thwart the natural comparative advantage which is the fundamental determinant of the international division of labour and which constitute the basis of international trade.

We recall the generosity of the economic leaders of the world which was combined with the crash recovery plans and programmes in the post-Second World War to lift up the economies of those who have now attained the position of economic leadership in the world. We call upon them to play their part, in turn, to lift up the most disadvantaged and vulnerable members of the international community. I would like to mention here that the recently held UN Conference on the Least-Developed Countries (Paris, 3-14 September 1990) declared it as "an ethical imperative" not to accept the marginalization of the least-developed countries as irreversible.

The weaker the entity, the more sound, safe and congenial environment is needed by the entity not only for its flourishing but also for its very survival. Our stake, therefore, is too great not to see the Round succeed. Success in the Uruguay Round is the surest insurance for us all to sail on

the boat of multilateralism to a safe and predictable voyage of liberalizing the global trading system and thus make interdependence of nations truly meaningful.

Before concluding, I consider it a great privilege to put on record our deepest appreciation and gratitude to you for the contribution that you - in your capacities as Director-General of GATT, Chairman of the GNG and as Chairman of the TNC, at official level - made in bringing the concerns of the least-developed countries to the attention of the participants for their consideration as well as for the responses our submissions have so far received. Our sincere appreciation is also due to all Chairpersons of the different Negotiating Groups who took admirable initiatives to bring our concerns to the attention of the participants and considerably offset our limitation in terms of manpower resources to closely follow works of all the Negotiating Groups. Finally, I would be failing in my duty if I do not express my sincere appreciation for the technical assistance that my delegation received from the entire GATT secretariat in our negotiating process but for which we could not have done what we have been able to do.