

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

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### BANGLADESH

#### Statement by H.E. Mr. A.H.S. Ataul Karim Ambassador, Permanent Representative

At the outset of this 40th Anniversary Session of the CONTRACTING PARTIES may I begin by expressing our deep appreciation for the most commendable manner in which you, as Chairman, have steered the work of the CONTRACTING PARTIES in course of the current year. This Session of the CONTRACTING PARTIES also marks the end of the first year of the Uruguay Round during which we have all been busy - laying down the essential basis for substantive negotiations in the next phase of our work on all elements of the agreement reflected in the Punta del Este Declaration. The progress achieved in this respect has been considerable, and all of us can indeed be satisfied for what has been achieved under your able leadership and guidance during the last twelve months. The current Session of the CONTRACTING PARTIES provides us yet another opportunity to look forward to our future challenges in the light of what has been achieved so far and what remains to be accomplished.

As we objectively undertake this exercise we cannot but be struck by the immediate and urgent necessity to act timely and adequately to tackle our problems which stem from a whole range of complex economic and policy-related issues. The problems confronting us are indeed of disquieting magnitude. It was thus pointed out by GATT economists only last September that the widespread expectation of faster growth in the world economy in 1986 and 1987 remained unfulfilled, and forecasts for 1987 and 1988 also do not anticipate any major pick-up in world economic activity. The financial and monetary upheavals, both in the national and international levels, during the last few months have also severely shaken the confidence of key economic operators and manifest the serious imbalances which characterize the economic relations between nations today. On the trade front, the uncertainties in the international trading system based on GATT have also remained equally acute as protectionism continued to play a significant rôle in preventing developing countries from having access to developed market economies.

It is indeed disconcerting that despite the commitment of the CONTRACTING PARTIES on standstill and rollback, the protectionist pressure has continued to erode GATT rules and disciplines. Increasing protectionist trends in major trading partners, as illustrated by unilateral or bilateral measures, protectionist bills in progress and wider recourse to grey-area measures, have been of great concern to the majority

of contracting parties. Such measures not only undermine the Punta del Este Declaration and the agreement in it on the standstill and rollback commitments but also carry the risk of undermining the whole negotiating process and the very credibility of the multilateral trading system at the cost of all of us. There is an imperative need to reverse this situation, and my delegation feels that this can be ensured by our sincere and strictest adherence to the standstill and rollback commitments undertaken in the Punta del Este Declaration.

In this same context, I should like to emphasize that the safeguard provision included in Article XIX, which gives contracting parties the right to impose temporary restrictions on imports to ward off serious injury to domestic producers, has, in many cases, been applied arbitrarily and has lacked the required transparency and objectivity. In the application of safeguard action, the question of grey-area measures has often created additional complications. It is unfortunate that in spite of long debate in GATT to reach a full understanding on safeguards, no tangible progress has yet been achieved. The Uruguay Declaration has again underscored the need for a comprehensive agreement based on the elements identified in the 1982 Ministerial Declaration. It is my delegation's sincere hope that it would be possible to find a solution to the problem well before the end of the negotiations and to put it into effect as a positive contribution to the strengthening of the GATT system.

Another issue of main concern to my delegation relates to the least-developed countries' trade. In the past, much has been done to identify the specific obstacles facing these countries. The results had, however, been rather meagre towards ensuring complete duty- and quota-free access of their products in the international market. The Uruguay 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. 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. We shall expect the GATT Secretariat to continue to provide the necessary technical assistance to the least-developed countries for the consultations.

The critical importance of trade in textiles and clothing for the developing countries is also 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. In this connection we should like to note that, in the past, the Multifibre Arrangement negotiations revealed that many of the major trading countries were not prepared to introduce any basic changes in the existing restrictive system. In fact, the Multifibre Arrangement had been increasingly applied in a more restrictive manner, and even the poorest and

the least-developed countries had not been spared from such restrictions. Because of the negative attitude of some of the major importing countries, the objective of the 1982 Ministerial Declaration could not be achieved. On the contrary, in the Multifibre Arrangement which was extended until 1991, the coverage of products has been enlarged to the detriment of the export interest of many developing countries including the least-developed and small suppliers among them. Admittedly, Multifibre Arrangement IV has included a specific provision for special treatment in favour of the least-developed countries, but in practice these countries are still being asked to restrain their exports of textiles and clothing items. In the Uruguay Declaration, the Ministers have again stressed the need for formulating modalities that would permit the eventual integration of this sector into GATT on the basis of strengthened GATT rules and disciplines. We hope that this objective will be fully and expeditiously realized.

Finally, I should like to put on record our appreciation for the training facilities provided by GATT as well as by the International Trade Centre to the least-developed countries. I would also like to invite the CONTRACTING PARTIES to accord priority to the least-developed countries in the provision of technical assistance in the coming years both in connection with the multilateral trade negotiations and the implementation of the Harmonized System.