GENERAL AGREEMENT ON TARIFFS AND TRADE

Meeting of Ministers

STATEMENT MADE BY Mr. WAHIDUZZAMAN
MINISTER FOR COMMERCE, PAKISTAN
ON 17 MAY 1963

Item 2: Arrangements for the Reduction or Elimination of Tariffs and other Barriers to Trade and Related Matters

We have always been in favour of removal of obstacles to expansion of international trade. We therefore welcome the initiative of the United States for large-scale reduction of tariff and removal of other barriers to trade. The United States Trade Expansion Act has created an important opportunity for liberalization of trade on a world-wide basis and we hope that the initial differences of views on the choice of means will soon be overcome and that full advantage will be taken of this occasion to set the stage for the expansion of trade. We further hope that appropriate steps will be taken to ensure that benefits of the Kennedy Round reach the less-developed countries as much as the more advanced.

Before we turn to the points on which the Ministers of the Contracting Parties have been invited to give directives, we would like to express our appreciation of the exhaustive study made by the Working Party on Procedures for Tariff Reduction of issues which have to be settled in connexion with the Kennedy Round and the clarity with which it has set out the problems for our consideration.

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We endorse the principles that the forthcoming multilateral negotiations should include all classes of products and cover both tariffs and non-tariff barriers for only then can the Kennedy Round lead to the development of a really comprehensive solution of the problems of world trade. We feel that the Kennedy Round will not be able to fulfil the expectations raised by it if discussions were focussed once again entirely on what might be described as only a part of the problem. The non-tariff barriers, such as quantitative restrictions, internal revenue and fiscal charges, the policies of some of the State-trading organizations of some of the advanced countries, constitute restraints of no less severity than tariffs and must be given as much attention as customs duties if progress is to be made in the removal of restrictions on international trade.

The proposal of the United States for an across-the-board linear reduction of tariffs has much to commend it, and we hope that the Working Party will succeed in evolving a formula which is acceptable to the major participants in the negotiations. Since maximum liberalization of trade is the objective of all the contracting parties, we feel it should not be difficult to develop an acceptable approach. We assume that the Kennedy Round will be conducted on a clear understanding that advanced countries will not adopt any measure which may nullify or impair the beneficial effects of tariff reductions made in the course of negotiations.

Agricultural commodities have a special importance for less-developed countries as well as for the advanced countries. The problem in the field of primary products, including agricultural commodities, is not only of access to world markets but also of prices. We agree that the Trade Negotiations Committee should make further study of agricultural commodities and suggest measures for dealing with these products after taking into account the special problems of each of them with a view to expanding access for them and stabilizing their prices at remunerative levels. Commodity agreements, compensatory financing on the lines suggested by the Committee of the United Nations Experts to offset short-term fluctuations in the prices of agricultural products of less-developed countries are some of the measures which require careful examination and we hope that the Trade Negotiations Committee will give them due consideration.

We are glad to note that the participation of less-developed countries in the Kennedy Round is to be viewed first and foremost from the standpoint of their development needs. It is also heartening to know that less-developed countries will not be expected to reciprocate in the same manner as the developed countries. We must, however, emphasize that countries like Pakistan are not in a position to offer even a restricted degree of reciprocity. Less-developed countries are economically weak; they have only a small margin of reserves; they need to protect their infant industries; and most of their other tariffs are required for essential revenue purposes. The level of Pakistan's tariffs is already quite low and there is little scope in them for further reduction. We hope that less-developed countries will not be pressed to reduce tariffs in return for reductions that advanced countries may make in their customs duties.
It is also our expectation: first, that duties on raw materials and tropical products will be eliminated; secondly, that duties on semi-processed and manufactured goods exported by less-developed countries would be reduced sufficiently to permit an expansion of their exports on a scale that would make it possible for them to finance a higher proportion of their development scheme; and thirdly, that none of the products of interest to the less-developed countries would be excluded from the scope of tariff reductions. The Kennedy Round will lose most of its significance for the less-developed countries if semi-manufactured and manufactured products of the less-developed countries were included in the lists of exceptions of the advanced countries on the plea of market disruption, or, by dubbing them as low cost products likely to injure the so-called sensitive industries of the advanced countries.

We support the proposal that a Trade Negotiations Committee should be established for drawing up procedures for the negotiations with a view to bringing them to a final conclusion during the course of 1964, and that this Committee be endowed with sufficient powers to set up such subsidiary bodies as it might require for the completion of its work. In order to facilitate agreement it might be desirable to set up separate negotiating groups for problems of less-developed countries, temperate agriculture, and tariff procedures, each of them reporting to a high-level Trade Negotiations Management Committee.

In conclusion, we would like to say that we, like several other less-developed countries, are looking forward to the Kennedy Round but, whether or not, the less-developed countries will be able to participate in the negotiations constructively depends largely on the ground rules that are drawn up for the conduct of negotiations. We suggest that adequate representation be given to the less-developed countries in the Trade Negotiations Committee so that their difficulties and needs are taken into account fully when plans for the conduct of negotiations are formulated.