It gives me great pleasure to address this distinguished meeting and to discuss, at the policy level, the problems of international trade within the framework of the General Agreement on Tariffs and Trade. We have followed with great interest the activities of the GATT, and we have welcomed the opportunity, since our provisional accession last November, to participate in its deliberations. As this is the first time for me to address a GATT meeting, I should like, on behalf of my Government, to express my thanks to all Members who have shown interest in our accession, as well as to Mr. Wyndham White, the Executive Secretary and his staff for the valuable help which they accorded to us.

The Ministers of GATT, in their last meeting, recommended measures to foster world trade and to solve trade problems of developing countries within the framework of the GATT. The very useful GATT reports prepared by the secretariat and by different committees have further clarified the problem and indicated that obstacles against trade of developing countries are still widespread. They also support the cause of these countries in their advocacy of a liberal attitude as regards their trade with the industrialized countries.

A programme of action proposed by twenty-two developing countries (document - Min/63/1) is submitted for the consideration of this meeting of Ministers. This programme embraces concrete measures for the expansion of trade of developing countries as a means of furthering their economic development. The industrialized countries of the contracting parties are earnestly
urged to eliminate quantitative restrictions as well as to reduce or eliminate tariff barriers on imports from developing countries and, in particular, imports of semi-processed and processed products, primary products and tropical products. In our view the necessary measures should be taken without delay for the implementation of recommendations embodied in the programme within the dates specified. Moreover, the Contracting Parties should endeavour to facilitate the efforts of developing countries to diversify their economies, and to promote their exports and increase their export earnings. It should be stressed in this connexion that, in a gesture of sympathetic understanding, the Contracting Parties should adopt a more flexible attitude and in case of need a modification of the General Agreement could be contemplated.

The problem of trade, as related to development, is probably the most important issue of the day for developing countries. The GATT and other international organizations have shown great and persistent interest in searching for the main cause of the problem and in finding out solutions which may contribute to the fostering and to the steady growth of international trade. In this distinguished gathering of Ministers representing countries which account for the bulk of world trade, it is expected that concrete action would be taken, in a true spirit of international co-operation towards the adoption of effective measures for the attainment of this objective, and for improving the trade structure of the developing countries. Such measures, we are confident, will pave the way for further co-operation. In different parts of the world, trade meetings are being held on regional basis and we hope that different currents in the field of trade are co-ordinated and harmonized to fit in our common goal of promoting world trade and development.

The present decade was declared as the United Nations Development Decade, during which the developing countries should be enabled to attain such a rate of growth as to allow them to enjoy a higher standard of living and to catch up with development scales in the highly developed countries. This international endeavour cannot be realised unless the industrialization programmes of developing countries are successfully carried out and unless they get their fair share from the gains of international trade. This share is declining, and various statistical and economic reports show a downward trend in this respect. The relative elasticities of demand for and supply of the exports of the developing countries and the exports of the developed ones may have contributed to this worsening of the terms of trade. But it is noteworthy that the developing countries are not fairly treated as regards their foreign trade with the industrialized countries. For, in spite of the fact that great privileges are granted to their imports from the industrialized countries such as tariff reduction or exemption and giving first priority in the allocation of their foreign exchange earnings, the industrialized countries are still imposing tariff barriers, setting up trade obstacles and following in some cases policies of agricultural protectionism against many exports of the developing countries. It may be stressed that these obstacles are not in the interest of the industrialized countries themselves. This is because they
result in reducing the foreign exchange earnings of the developing countries and hence to decreasing their import capacity from the industrialized countries, the industries of which are, to an appreciable extent, activated by the development programmes in the developing countries. These programmes necessitate the importation of equipment and machinery, main items of exports of the industrialized countries.

We are greatly interested in the new, more workable approach of the GATT to conduct tariff negotiations on a linear rather than individual commodity basis. The linear approach has the multilateral character, is more simple and results in enhancing trade relations between the Contracting Parties. To render negotiations on a linear basis more workable, the difference in tax structure of countries exchanging tariff reductions or exemptions should be taken into account to achieve the GATT's objectives in a realistic manner.

We fully appreciate the efforts of the GATT to offset the discriminatory practices of economic groupings which are inconsistent with the Articles of Agreement.

As far as developing countries are concerned it is hoped that the GATT will have a more flexible attitude as regards reciprocity. During the first stage of development, the developing countries have to safeguard their infant industries, to budget their foreign exchange earnings, and to take appropriate measures as may be necessitated by the pressure exerted on their balance of payments. Due regard should also be given to the fact that in trying to diversify their foreign trade, developing countries may have to trade with countries of different economic and commercial systems. State-trading enterprises may also be necessary in regulating external trade. All this, it is noteworthy, does not run counter to the GATT Agreement, as long as trade is conducted on the basis of world competitive prices.

The Ministers, in their last meeting, recognized that "there are important possibilities for encouraging sound economic development in the less-developed countries through increased trade among themselves and that these countries should keep this in mind in formulating their tariff, commercial and economic policy measures". To implement this recommendation, the GATT should adopt a more flexible approach towards trade arrangements among the developing countries. Free trade areas or the exchange of tariff reductions may, in certain cases, be more practical than forming a customs union embracing the developing countries.

A serious problem facing the developing countries is the inadequacy of their foreign exchange earnings. This problem is a trade problem: firstly, because additional external sources of financing are intended to fill the gap between
export proceeds and import requirements and, secondly, because the greatest part of imports of the developing countries is composed of machinery and equipment necessary for development projects which cannot be financed on a conventional basis, but rather on a basis of "soft" loans. If we are to enable the developing contracting parties to foster their trade with highly developed ones, we have to provide them with ample credit facilities not on the basis of "hard" conventional terms but on terms which do not bear heavily on their balance of payments and do not impair their ability to foster trade with the highly industrialized partners. The importance of this problem can hardly be overestimated and it may be recommended that a GATT committee be formed to study this problem.

The Cairo Conference on the Problems of Economic Development recommended the immediate and energetic implementation by the GATT of a programme of action which will improve the prospects of exports of the developing countries. On behalf of the Government of the United Arab Republic I should like to express the hope that this idea entertained by the Cairo Declaration be realized by our gathering.