Even as we shifted gears to move into the Uruguay Round, the world economy remained depressed and stagnant up till this point in time. Growth in developing countries is at a standstill and negative growth is fast becoming the rule of the day for these countries. Malaysia is no exception to this situation. After years of high growth, we are now facing a severe economic crisis and have to face the unenviable reality of seeing our current account in the red for the first time since 1972.

The export sector, which has always been one of the major engines of growth for the Malaysian economy, is facing its severest test to date. Export earnings have been drastically reduced due to the collapse of oil and commodity prices, and diversification into exports of semi-manufactured products has not produced its desirable results due to the constriction of such trade by protectionist measures prevailing in our major markets. Trade is a two-way traffic and it is never too wrong to cite the simplicity of the economic fact that bottling up the exports of developing countries will only render these countries incapable of earning foreign exchange to in turn import from developed countries. Hence this creates a vicious circle which benefits no one.

As a first step in ensuring our commitments to the 1986 Ministerial Declaration, participants in the negotiations should abide by their commitments to the standstill and rollback provisions, which are effective from 20 September 1986. However, recent events have shown that breaches of these commitments have occurred which, if not checked and reversed, would undermine the very confidence such commitments were supposed to ensure in the first place. Let us not allow history to repeat the situation after the post-1982 Ministerial meeting wherein the standstill and rollback commitment is nothing more than a token wish to do something about protectionism. Hence, as the clock ticks away, it becomes the more imperative that an efficient and deterrent surveillance mechanism, to ensure that these commitments are solemnly adhered to, be established expeditiously.

The Committee on Trade and Development has been the principal organ of the GATT to implement Part IV of the General Agreement since the Committee was set up over twenty years ago. It is useful to remind ourselves, now
and then, of the objectives of Part IV where these relate to the undertaking of the GATT as an organization to promote trade and development of the less developed contracting parties. This is particularly so in the present circumstances in the world economy in which the developing countries since 1980 have experienced decreasing terms in their merchandise trade, in which commodity prices have been the worst since the Great Depression of the 1930s and in which the extent of indebtedness of developing countries has become a depressive factor in growth and a destabilizing factor in the international financial and monetary system.

What do we see and want of the rôle of the Committee on Trade and Development under these difficult and challenging times? Should not its members pull up their sleeves and socks and do something that can have an impact in the Committee's responsibilities under Part IV of the General Agreement?

Article XXXVIII of the General Agreement, as everyone knows, is specific under the heading "Joint Action" in a number of areas where the CONTRACTING PARTIES are obliged to take concrete measures to further the objectives of Part IV. For example, the CONTRACTING PARTIES undertake to provide improved and acceptable conditions of access to world markets for primary products of particular interest to the less developed contracting parties. In addition, they also undertake to devise measures to stabilize and improve conditions of world markets for these primary products as well as to take measures to obtain stable, equitable and remunerative prices for the exports of such products. In view of the current adverse situation confronting commodity trade, implementation of such undertakings becomes cogent and urgent.

One phenomenon of the present-day world economy is the colossal indebtedness of a large number of countries, including developing countries. For many of the developing countries today, to survive is to export. There is again a provision in Article XXXVIII of the General Agreement which calls upon the CONTRACTING PARTIES to devise concrete measures to promote the development of export potential and to facilitate access to export markets for the products of the industries thus developed. The GATT is called upon to collaborate with other international organizations with competence in financial assistance for development to explore and develop market prospects for the less developed contracting parties.

I want to make these points to draw the attention of the CONTRACTING PARTIES to the promotional obligations of our organization in the areas of trade and development for the less developed contracting parties. While our attention is now focussed on the Uruguay Round, and rightly so, we should not forget what the GATT is also called upon to undertake. The present bad times press hard on all of us to come out with an agenda for more concrete actions that can alleviate the difficulties confronting the less developed contracting parties. At the same time, I do hope that the
GATT secretariat will not become so over-burdened with work in the Uruguay Round that it becomes helpless in the areas that Part IV still beckons for action.

Lest I be misunderstood, I want to say that it is not my intention to deny the Committee on Trade and Development a rôle in the Uruguay Round while reminding the CONTRACTING PARTIES of our obligations in Part IV of the General Agreement. One must admit that since the Ministerial meeting of 1982, some useful work has been done by the Committee in having identified certain areas, especially in tropical products, where further liberalization of trade could take place for the benefit of the less developed contracting parties. The basic trade data already collected by the secretariat for the Committee in the areas of tropical products can now be updated to provide the basis for work in the Group dealing with tropical products in the Uruguay Round. This is one proposal that my delegation wishes to make in this Session of the CONTRACTING PARTIES to reinforce what has already been proposed at the last session of the Committee on Trade and Development. In addition, the Committee, and in particular the secretariat, can provide technical training for the less developed contracting parties in the techniques of negotiations that will be required in the Uruguay Round.