

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES  
Thirty-Eighth Session  
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1. It is my great pleasure to first extend a very warm welcome to His Excellency Punnamee Punsri, Minister of Commerce, Thailand and his distinguished delegation. With the accession of Thailand as the eighty-eighth contracting party of GATT, all five countries of ASEAN are now members of GATT and can play their part in contributing to the success of this meeting.
2. All of us gathered here today share a deep concern that we must arrest the present disastrous slide towards protectionism. At this meeting, it is crucial that we make a firm political commitment to abide by the rules and principles of GATT. Only if there is a strong and unequivocal statement of political will by all contracting parties to abide by GATT can we preserve the international trading system and contribute to world economic recovery.
3. Singapore believes in free trade and adheres scrupulously to the principles of GATT. Mr. Chairman, I take this opportunity to renew Singapore's pledge to conduct trade according to the rules and principles of GATT and I urge all members of GATT to join me in making this pledge. All countries, both developed as well as developing, should undertake to stop implementing any new protectionist measures and further, to report to GATT, at the next session of the CONTRACTING PARTIES, on what steps they will take to reduce their present trade barriers.
4. The prolonged international economic crisis has taken its toll on the multilateral trading system. Some countries have increasingly sought to resolve their trade problems outside the GATT framework, thereby undermining confidence in the GATT.
5. If all countries had respected Article I of the General Agreement on the most-favoured-nation (MFN) principle, there would not be a problem with safeguards today. Any agreement or understanding on safeguard measures can be equitable only if it upholds the m.f.n. principle which is, after all, the most fundamental principle of GATT. Selective measures in any form are a step back from the m.f.n. principle and must ultimately weaken the authority of GATT in regulating orderly world trade. Singapore therefore shares the concern of other developing nations on the proposed concept of consensual selectivity and how it would be applied. Our recent experience in the Multi-Fibre Arrangement cannot but make us wary that consensual selectivity in practice would mean that developing exporting countries would have no choice but to agree to the measures imposed by the importing countries.

6. Like all members of GATT, Singapore has been disturbed by the tension that has built up since the Ministerial meeting was mooted a year ago. Instead of working towards freer trade, countries, particularly the developed countries, have heaped one barrier after another on developing countries and on each other. Measures taken outside GATT by the industrialized countries to limit trade among themselves have led developing countries to believe that they can do the same. To convince developing countries to pursue freer trade policies, the major industrialized countries have to be good examples in the conduct of international trade. We recognize the severe trade problems among the United States, the European Community and Japan but the major industrialized countries must resolve their present difficulties within the principles and disciplines of GATT. This by itself will contribute significantly to the promotion of freer trade throughout the world.

7. Singapore would like to record our appreciation to the GATT Council, headed ably by Ambassador Das, for their truly Herculean effort in reconciling the differences in the philosophies and approaches of GATT members. Document C/W/403 is an outstanding achievement which would have been inconceivable only two months ago. By their painstaking work, the GATT Council have greatly facilitated the task of Ministers at this meeting.

8. Singapore will make every effort to ensure that this meeting is a success. And the meeting will be a success if we can sincerely, firmly and openly declare our political determination to go back to the rules and principles of GATT in the conduct of international trade. Only when we have such a commitment can we hope to reach agreement on other measures to further liberalize world trade.