

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINISTER OF COMMERCE OF THAILAND

May I join other speakers before me in extending to you my congratulations on your election as Chairman of this thirty-eighth session of the contracting parties. The valuable contribution of Canada as Chairman of the Preparatory Committee has made it possible for us to gather here today. Under your able leadership and wise guidance, I am confident that our deliberations will come to a successful conclusion.

It gives me great pleasure to attend this meeting. This is not only because I am in the midst of such eminent persons who exercise the policy decision on world trade, but also because this is the first meeting in which Thailand is participating as a full contracting party to the GATT. In this regard, I wish to express my appreciation to the contracting parties, as well as to the Director-General of GATT and his staff, whose efforts and co-operation have enabled the process of our accession to be completed in time for this historic meeting.

Thailand's decision to accede to the General Agreement at a time of growing protectionist trend shows her faith and confidence in the multilateral trading system.

The world economy has suffered a deep and prolonged crisis, resulting in the depressed level of production and trade. In their efforts to resolve their individual problems, many developed countries have tended to look inward and resorted to protectionist measures which have led to further aggravation of the present world economic situation and which, unavoidably have deep repercussions on the economy of many developing countries, including Thailand.

It has been well recognized that because of the increasing trend in protectionism prevailing at present, the multilateral trading system of which the GATT is the legal foundation, is being endangered. It is, therefore, of utmost importance that we should pool our efforts together to work towards further liberalization of world trade through the elimination or reduction of such measures as import restrictions, export subsidies and surplus disposal.

The importance of agricultural trade to developing countries like Thailand, which depend on agriculture for their economic development cannot be ignored. Their faster economic growth will, in turn, benefit their developed trading partners. Thailand therefore supports the proposal that agricultural trade be brought fully into the GATT system to improve market access and to bring export competition under greater discipline.

We would also strongly urge that the policy framework of developed countries on agriculture be adjusted to accommodate and facilitate greater access of agricultural exports from developing countries.

In addition, we should also like to see that tropical products be given priority as agreed upon during the Tokyo Round, and trade liberalization in these products be given special and prior consideration.

Besides agricultural and tropical products, our export of manufactures have also been adversely affected by the current protectionistic pressure. This is particularly true in the case of textiles and clothing, which provides considerable employment for our people.

In this connection, we wish to stress that the main and lasting solution to this problem is for developed countries to implement expeditiously their structural adjustments in order to transfer their resources to a higher level of productive efficiency.

It is generally accepted that developing countries having a lower level of economic development are at a disadvantage vis-à-vis developed countries in international trade. It is thus necessary that they be assisted in their efforts to increase their participation in world trade. We, therefore, fully endorse the call of developing countries for the effective application and implementation of the GATT provisions on special and differential treatment for developing countries.

Recent experiences have shown that GATT has become less effective in settling disputes and this has led some contracting parties to take action contrary to the principles and rules of the GATT.

There is a need to strengthen discipline in the conduct of international trade, if the effectiveness and creditability of the GATT system is to be maintained. Measures which are inconsistent with the GATT provisions should be abolished. In order to ensure increased transparency, we look with favour to the proposal that a committee should be set up to monitor trade measures which violate the GATT principles and rules.

On the issue of safeguards, we would like to stress that in cases where contracting parties have resorted to safeguard measures to protect their domestic industries, these measures must be carried out in conformity with the GATT provisions on the principle of non-discrimination. Without such strict discipline, we can hardly expect to see an improvement in the multilateral trading system which all of us are working for.

In conclusion, I would like to reiterate that this meeting is convened at a critical time when the world is witnessing a growing protectionist tendency as well as protective actions which are increasingly being resorted to outside the framework of the GATT. It is therefore incumbent upon us all to exert our common efforts to strengthen and improve the multilateral trading system which will bring about lasting world economic prosperity, and hence the well-being of the peoples of the world as a whole.