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STATEMENT BY THE HONOURABLE DATO' LEW SIP HON,
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1. May I begin by joining the previous speakers in congratulating you Mr. Chairman for your much deserved elevation to the post of high responsibility in this important GATT Ministerial meeting. I am confident that with your wise and able leadership the meeting would be a fruitful one.
2. The Ministers from CONTRACTING PARTIES of GATT are meeting today after an interval of nine years, but more significantly at a time in history when the world economy is under severe stress and strains characterized by deep recession, persistent inflation, serious unemployment, high interest rates and depressed commodity prices.
3. The Malaysian delegation has come to this GATT Ministerial meeting with the hope that there will be less rhetoric and more tangible demonstration of the common desire to seek solutions to the pressing problems facing the world economy. I believe that now, more than ever before, there is the dire need to restore the world's confidence in the multilateral trading system of which GATT is the cornerstone. In this context, it is the view of the Malaysian delegation that if we are to return to our respective capitals with a clear message of hope to our people, the basic minimum which should emerge from the GATT Ministerial meeting, is the reaffirmation by the Ministers present here today of their commitment to an open international trading system and the political determination and ability to arrest and reverse the existing protectionist trend.
4. Malaysia considers that protectionism is the core issue before the GATT Ministerial meeting. It not only presents the single most serious threat to world trade but also its damaging effects have already been felt by all of us. If this trend were to continue unchecked, it could mean the ultimate collapse of the multilateral trading system because protectionism is closely interlinked with problems that are now urgently before the GATT, namely safeguards, dispute settlement, the special problems of agriculture, the implementation of the Enabling Clause, position of tropical products, tariffs and non-tariff barriers. It is, therefore, incumbent upon us all to muster all the political will at our command to immediately put a brake on protectionist measures and in the longer term to dismantle the existing ones. In the view of the Malaysian delegation, we would have failed in our duty if we are unable to address ourselves adequately and seriously to this fundamental issue of protectionism.

5. In respect of safeguards, we strongly believe in the fundamental principle of non-discrimination as enunciated in the General Agreement. Any unilateral action which departs from this m.f.n. principle - and much evidence has already been documented by GATT in recent studies, where exceptions have become more the rule - must be brought under multilateral surveillance, in conformity with the requirements of transparency and predictability and universality. Our experience with the MFA has often reminded us of how even legitimized derogations of this principle could give rise to so much frustration. My delegation is therefore prepared to be flexible and pragmatic in our approach to any proposals for a comprehensive framework governing safeguards.

6. Various protectionist measures have been imposed in the form of tariff and non-tariff barriers. These have proliferated in recent years and if left unchecked could well undermine the confidence in, and the credibility of, the multilateral trading system. I have only to mention voluntary export restraints and orderly marketing arrangements. My delegation strongly subscribes to the principle of a standstill on various forms of protectionist measures and a dismantling of those barriers in existence.

7. Agriculture and tropical products have been rather neglected. The latter is of particular significance to us as producers of commodities. We strongly call for concrete steps to be undertaken to ensure greater market access for them not only through the implementation of Part IV but also through progressive elimination of tariff and non-tariff barriers. On agriculture we fully agree with the view expressed by some delegations that it should be more fully integrated into the GATT system.

8. The special and differential treatment for developing countries has now become an integral part of the GATT system and we regard such commitment as providing a strong basis for enhancing the position and rôle of developing countries in the international trading system. Unfortunately, up to now developing countries have not yet enjoyed the benefits which should accrue from the satisfactory implementation of part IV.

9. In this connection I should perhaps briefly allude to the proposed North-South Round of tariff negotiations. My delegation feels that there needs to be a clearer perception as to the relationship between commitments under Part IV and the North-South Round. Unless the long-term objectives and ultimate intentions are clearly spelt out in favour of the developing countries, we do not feel motivated to be involved in this exercise.

10. On the subject of trade in services and trade in high technology, we take due note that these would become increasingly important in the years ahead and therefore would have long-term implications for world trade. The Malaysian delegation is prepared to consider any proposed studies on these subjects so long as there is consensus on these proposals and that such studies will not dilute the efforts of GATT in the work programme on priority areas. Nor should it duplicate work being undertaken in other international institutions. We would like to emphasize also that there should not be any pre-condition or commitment regarding the outcome of such studies.

11. I would like to conclude by reaffirming that Malaysia is always willing to commit herself to the principles of free trade and non-discrimination. In today's interdependent world of ours, given the goodwill and understanding amongst men of all races, colour and creed, I have no doubt that Ministers present today will have the vision and foresight to look beyond parochial and sectional interests, towards the wider horizons of promoting the economic well-being of all mankind, and that together through concerted actions, there should be the political will and courage to restore and reinforce world confidence in the multilateral trading system as embodied in GATT, so that we can together create a stable trading environment well poised to face the challenges of the eighties and beyond.