## GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)129 November 1982

CONTRACTING PARTIES Thirty-Eighth Session Ministerial Meeting (24-27 November 1982) Original: French

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When making a diagnosis of the deep and structural recession that is besetting the world economy, recalling its dramatic consequences for the fragile economies and the trade of developing countries, when strongly opposing the way in which international negotiation is getting bogged down and dialogue is in a blind alley, one brings up so many realities which strike the mind as being so many challenges to the intelligence, reason and one must say the common and joint future of all nations.

With this realization, at Cancun and elsewhere, Algeria had welcomed with interest the decision to convene this GATT Ministerial meeting which we saw as part of the far-reaching project of global negotiations aimed at orderly and concerted restructuring of international trade and the promotion of democratic and equitable functioning of the multilateral trading system.

One is bound to recognize that far from attaining such an objective, this meeting is in fact essentially limited to tackling the short-term concerns of the major trading powers. It is particularly disquieting to see how the problems of developing countries have been left in a marginal situation.

International trade trends over the past two decades clearly brought out the absorption capacity of the developing-country market which has beyond doubt become an essential outlet for developed-country exports, just as those trends have reaffirmed the dynamic rôle of the developed countries in trade expansion. This situation has not, however, been accompanied by any reshaping of the principles and rules of the game to take account to an appropriate extent of the interests of developing countries, as full partners, in the development of international trade.

What is more, apart from the fact that the developing countries are suffering a pronounced deterioration in the terms of trade, they are receiving the full impact of protectionist weaponry that is being constantly perfected and diversified, skilfully constructed by the developed countries, and which is causing irreperable damage to vital sectors of their economies, depriving them of financial resources necessary for their development and of liquidities that they sorely need if only to cover their external indebtedness.

The slump in prices of primary products that are essential in their foreign trade structure has reached, in real terms, proportions unprecedented since the 1950s, while their share in international trade in manufactures, which was already marginal, is tending to dwindle because of the burden of adjustment and the intolerable sacrifices required of them in the interests of joint management of the recession.

The mere mention of these factual elements suffices to situate the responsibility of the multilateral trading system in the identification and handling of the trade and development problems of developing countries. In the same way, it shows clearly that the modest measures decided on for the benefit of developing countries have been implemented in varying ways.

At a time when proposals are being made to extend the field of responsibility of the multilateral trading system to new areas such as services, investments and high-technology products, wisdom demands that one should call on GATT to concentrate on solving the grave problems of trade in goods rather than enlarge its mandate and its responsibilities.

Wisdom likewise calls for full respect for the principle of differential and favourable treatment in favour of developing countries, and not for easing the economic difficulties of developed countries by introducing new charges to be paid by the very countries whom the system has already penalized and is still penalizing heavily, by suggesting that they accept new duties and obligations, by proposing to them selective—tier treatment and by dazzling them with the illusory virtues of an open market.

Clearly too, wisdom demands that we recognize that trade is one element of development as a whole. And that consequently if the lifting of customs barriers and improvement of trade preference systems can contribute to increase the participation of developing countries in international trade, such growth is bound to be limited so long as it is not backed by sustained economic and social development of the developing countries, as a whole and individually.

This approach stems from realism and from a will to make a positive contribution to the current debate. It is situated resolutely in the context of the continuing effort to establish the New International Economic Order outside which all approaches attempted here or elsewhere would prove vain. If this Ministerial meeting could reaffirm the need to attain that objective and inscribe its results in that perspective, it could be considered, after so many missed opportunities, as the beginning of a hope for the entire international community.