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1. As we all are aware, the world economy including international trade, is passing through a very difficult period which the entire international community has never witnessed since the great depression of the mid 1930's which was characterized by heavy unemployment and stagnation in business activity.
2. This difficult economic situation, among other factors, led to low or negative growth in many countries, increasing unemployment, a general fall in production and trade, a sharp drop in commodity prices, balance-of-payments crises and increasing indebtedness. These phenomena have made many countries increasingly inward-looking in their attempt to solve their economic and trade problems.
3. Many countries, and in particular developing countries including the least developed among them, are now facing massive economic problems resulting from, among others, declining external demand, sharp drop in commodity prices, increasing indebtedness and high borrowing costs. The bleakness of the international trading environment facing developing countries is reflected most dramatically in the steep falls in the prices of their exports in both nominal and real terms. The combined index of the prices of non-oil primary commodities exported by developing countries dropped steadily from the last quarter of 1981 to the first quarter of 1982 at an average annual rate of 22 per cent in current dollar terms. The drop, when measured in terms of Special Drawing Rights (SDR's), was also very steep and amounted to almost 13 per cent annually from October 1980 to March 1982. When these prices are deflated by the unit value of manufactured exports from the developed countries, the deterioration exceeded 19 per cent at an annual rate during the same period.
4. For agricultural raw materials, which are vital to the trade of the least developed countries, these declines in nominal prices followed a period of price stagnation.
5. The reaction of the international community (including many contracting parties to the GATT) to the current economic and trade problems have not provided for permanent and acceptable solutions. Protectionism and import restriction measures, particularly in the markets of developed contracting parties, are increasing and a number of such measures are being applied outside the GATT framework.

We are now witnessing the conclusion of bilateral "export restraint" agreements on a number of export products that used to be traded without any restrictions. What worries many of us is that such agreements might be extended to cover many of the so-called sensitive products. We are worried that there is also a possibility that, due to the prevalent difficult economic conditions accompanied by inward looking policies, some contracting parties might indefinitely support the international Multifibre Arrangement, and even attempt to push for the conclusion of similar agreements on products in other sectors.

The Generalized System of Preferences (GSP), that for sometime has provided a good breathing space for many exporters in developing countries, has also been affected by the difficult economic conditions and the prevalent inward-looking policies of some contracting parties. We are now witnessing the emergence of quotas and ceilings on products that were previously enjoying total free access in the markets of developed and industrialized countries.

8. My delegation strongly feels that, despite the current problems inhibiting the contracting parties from fulfilling their obligations under the General Agreement and sometimes succumbing to pressures favouring disregard of those obligations, adherence to the concept of export-led growth, which the GATT sponsors through its free trade principles, continues to make sense to most of us. To this end, Tanzania joins other members of the international community in reaffirming our support and commitment to the multilateral trading framework of which the GATT is the legal foundation.

9. In order to assist these efforts, disciplines and provisions governing restrictions to trade and the dispute settlement mechanism should be revised with a view to strengthening them. Trade in agricultural products should, to the extent possible, be progressively liberalized to allow the forces of comparative advantage to take their course. In addition, these forces should also prevail as far as trade in semi-manufactures and manufactured goods is concerned in order to allow for meaningful structural adjustment.

10. By the same token, my delegation feels that it is irrelevant and diversionary at this juncture to introduce new issues in the GATT while resolution of present problems besetting the present multilateral trading system has not been adequately addressed. We feel that it would be very useful if the maximum time at this conference was devoted to seeking solutions and relevant compromises to the present problems, rather than embark on new issues for which the GATT has no competence. My delegation particularly has in mind the question of Trade in Services. We are totally opposed to the proposal to drag this matter into the work programme of the GATT as we feel that this would give legitimacy to the service multinationals to spread out to the Third World without any control.

11. All of us recognize the need to increase the share of developing countries in international trade. The General Agreement has given special prominence to this need in Part IV which elaborates the objectives, commitments and joint action which developed contracting parties have agreed to fulfil in order to further the trade and development of the developing countries. However, our experience has shown that the developed contracting parties have not translated these commitments into concrete and beneficial measures for the economic and trade development of developing countries. There is ample evidence to show that import restrictions and other non-tariff measures imposed by the developed contracting parties have adversely affected exports from developing countries, particularly in those sectors in which these countries have developed a competitive edge.

12. It is, therefore, our duty at this conference to make a thorough reassessment of the trading interests of developing countries in the context of Part IV of the General Agreement with a view to agreeing upon a definite programme to be undertaken in the GATT which would aim at removing the impediments to the trade of developing countries.

13. With regard to the trade problems of the least developed countries, appreciable efforts have been made to increase the access of the products of these countries to the markets of developed countries. All of us appreciate these efforts and we thank those contracting parties who have taken preferential measures to benefit the products from the least developed countries although we believe more could still be done in this area. Also I should like to take this opportunity to make special mention of the efforts made by the international community at least to recognize the economic problems facing the least developed through the United Nations Conference on the Least Developed Countries held in Paris in 1981 which came out with a Substantial New Programme of Action for the Least Developed Countries. Though the major portion of that Programme deals with financial and technical assistance to assist these countries in their structural adjustment programmes, trade also has an important rôle to play in ensuring the success of that Programme. To this end, we welcome the establishment within GATT of a Sub-Committee on the Trade of the Least Developed Countries since 1980. It is our expectation that this Sub-Committee will play a leading rôle in promoting the trade interests of the least developed countries after concrete terms of reference and a clear and specific mandate have been formulated for this Sub-Committee. Furthermore, there is a need to improve the GSP treatment for exports from the least developed countries with a view to giving free access to all exports of these countries. On its part, the GATT secretariat should endeavour to increase the level of technical assistance and training programmes of trade interest to these countries.

14. Finally, I wish to point out again that the problem of growing protectionism, particularly in the markets of developed contracting parties, needs to be given maximum attention at this conference with a view to arriving at a standstill and possibly a "roll back" in the phenomena.

While it is necessary for contracting parties to refrain from taking any new measures in protecting their markets against imports, it is equally important that appropriate solutions should urgently be sought to deal with protectionist measures already in force with a view to reducing or completely eliminating them.