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It gives me great pleasure to address this august assembly. A long period has elapsed since we met in Tokyo in 1973. The fact that the GATT Ministerial meeting is taking place after a period of nine years underlines the gravity of the crisis facing the global trading system and the need to take corrective steps to ameliorate the situation. The world economy and specially that of the developing countries is in the grip of an economic crisis, biggest since the Great Depression of the 1930s. Most of the developing countries, perhaps except the oil-producing countries, are faced with lower rates of growth of output, sharp fall in commodity prices as a result of recession in the consuming countries, inflation at home, decline in the volume of traded goods, fluctuating exchange rates, high interest rates, unmanageable external debts and so on. For example, the net oil-importing developing countries recorded a rate of growth of gross domestic product of 1.5 per cent in 1981 as against 4.9 per cent in 1980. The terms of trade of these countries have further deteriorated and in 1981 stood roughly 30 per cent below their level a decade earlier. As a result, the current account deficit of developing countries has jumped from US\$76 billion in 1980 to US\$92 billion in 1981.

From the available data, it is amply clear that the situation will be no better in 1982. The prices of most of the primary commodities which are the principal exports of many developing countries have sharply declined. My country which is predominantly dependent for its foreign exchange earnings on primary commodities such as coffee, tea, pyrethrum and basic manufactures like sugar, cement and soda-ash is faced with a precarious situation where the cost of production of these items has gone up substantially, whereas their export prices in world markets have declined sharply making production and exports of these items unremunerative. In 1981, the average price of non-oil export products from my country fell by 6.7 per cent largely because of a reduction in prices of items like sisal, hides and skins, food and beverages, sugar, etc. On the other hand, the average price of all imports rose by 26.5 per cent between 1980 and 1981. The bleak situation facing primary commodity exports is expected to persist in 1982 and 1983. On a conservative reckoning, it seems likely that the prices of primary commodity exports will deteriorate further vis-à-vis

those of manufactured exports in subsequent years. This will create a further period of uncertainty in developing countries as no worthwhile planning of economic resources can be undertaken, thereby jeopardizing the process of development and growth. Mr. Chairman, I would now like to devote my observations to the specific items of the agenda.

For the healthy growth of the world economy and specially of the developing countries, it is necessary that the world trade functions like a real "engine of growth" and all impediments in its wheel are removed. The wave of protectionism cutting across the world economies, particularly in developed countries, poses a great challenge to the GATT trading rules and its multilateral trading system incorporating the most-favoured-nation treatment clause which is increasingly being subverted by protectionist measures such as "voluntary export restraints", "market disruption", "orderly arrangements"; quotas; subsidies; minimum prices or income supplements for domestic producers; countervailing duties; concept of selling price; the graduation concept; etc. It is my Government's view that all types of protectionist measures, some of which I have narrated including the Multifibre Arrangement should be brought within the scope of Article XIX of the GATT. Whenever a need for protectionist measures arises in any country, they should be subjected to internationally agreed rules and procedures regarding their form, implementation and duration. Protectionist measures when implemented under exceptional circumstances should be designed to cause the least damage to exporters especially of developing countries while achieving the very basic aims of the country imposing them. The call of the present times is to declare a ceasefire on protectionism and then embark upon the dismantling of protectionist measures. Talk of reciprocity - equal access to developing-country markets for developed countries is hardly conducive to fruitful negotiations and we do hope will not rear its abominable head at this meeting. The fact of the matter is that countries which have failed to sign and accept Part IV of the GATT Agreement which provides for rules relating to developing countries' international trade should do so now. The Article incorporates and enshrines the principle of non-reciprocity between unequals.

There is urgent need for a review of the extent of the application and implementation by governments of this Part which is of vital importance to the developing countries. The Enabling Clause has not been taken advantage of fully and it should, as such, be studied so as to improve its application. Specifically the technical co-operation programme under GATT should be expanded and geared towards meeting the needs of the developing countries to take advantage of Part IV of the Agreement and the various negotiations conducted under the auspices of GATT. Contracting parties should, at this session, also urge the GATT secretariat to organize and intensify information and training which will lead to a better appreciation of GATT Part IV on Trade and Development and MTN implementations. Furthermore, joint training events with the International Trade Centre should be on a GATT programme to provide tangible assistance to developing countries in their practical export promotion efforts.

As you are aware, agriculture plays a dominant rôle in the economic development of the Third World countries, not only does it provide large-scale employment to their people but also contributes a great deal to their earnings of foreign exchange, yet, agricultural products have not benefited from the past rounds of GATT negotiations.

The problems in the field of agriculture are from the very beginning considered as intractable and no significant progress has been made in the removal or reduction of protection granted by developed countries to their agricultural producers. Quite on the contrary, the policies pursued by these countries to guarantee higher income to their producers through support-price policies and variable levies have resulted in further intensification of protection granted in the initial stages.

Such policies aimed at protecting domestic producers of temperate zone agricultural products from foreign competition often adversely affect trade in tropical products such as sugar and vegetable oils which have temperate zone substitutes. It is necessary that a step-by-step approach is devised to tackle this problem of agricultural protection which may include:

- (i) standstill on current level of protection;
- (ii) development of codes of principle on agricultural support measures;
- (iii) a general improvement in the conditions of access for imports and a reduction of surplus stocks;
- (iv) negotiation on limits to the size of export subsidies; and
- (v) standstill agreement on development and marketing of synthetic substitutes which compete with fair priced agri-products which are important to the development process of developing countries.

Safeguard measures, contained in GATT Article XIX, have an important rôle to play in the conduct of world trade as they provide some agreed criteria under which a contracting party can come to the rescue of its local industries. Thus safeguards could be maintained but wherever necessary improved especially if they do not meet the requirements of most-favoured-nation treatment criterion which should also be the basis of their application. Whilst it is important that tariff reductions agreed upon in multilateral trade negotiations be fully implemented, escalation of tariffs on products of export interest to developing countries has made it difficult for them to fully take advantage of such tariff cuts. This is prevalent even where GSP concessions have been granted.

It is noted with dismay that signatories to the MTN Agreements and Arrangements are few and some of these Agreements appear to be outside the framework of GATT. This situation is undesirable as GATT is an internationally recognized and applied trade contract under which all

contracting parties are required to conduct their trade relations. In this context, it is our view that those MTN Agreements and Arrangements which are outside the GATT framework should be integrated into GATT and urgent steps should be taken to facilitate the accession of developing countries to them without jeopardizing their development interests.

The harmonized commodity description and coding system which has been worked out by the Customs Co-operation Council is welcome. No doubt, it will contribute to facilitation in world trade and its adoption may necessitate renegotiations in tariffs. These renegotiations should be as per agreed guidelines drawn up by all interested parties. The GATT secretariat should be called upon to provide technical assistance to developing countries for such renegotiations which would fall under Article XXVIII of the General Agreement.

It is recognized that fluctuations in exchange rates influence international commercial transactions. The extent to which these fluctuations adversely affect international trade has not been fully and openly accepted. It is necessary to conduct a study in this regard. The GATT secretariat possibly in consultation with the IMF, could be called upon to undertake this study. It should then be possible for the contracting parties to examine this issue in the right perspective and suggest remedial measures.

Several conferences and negotiations culminating with a broad agreement on the international economic situation were reached at Cancun, in October 1981 and provided the international community with the mandate to usher in a new international economic order which will reduce the present imbalance between the developed and developing countries.

Basically the developing countries are requesting for guaranteed minimum and remunerative prices for their primary commodities, preferential access treatment for their manufactured goods in the markets of industrialized countries, a greater say in world financial institutions and easier access to the funds available to these institutions, and additional development aid. In the context of the current international environment, these requests are not inordinately demanding when one views it in the context of inter-dependence. It is accepted all round that poverty and distress in the developing countries are fundamental threats to international peace and stability. Accommodation of and assistance to developing countries is not charity. It is necessary for the survival of both developed and developing countries in the fast shrinking inter-dependent world.

Finally, let me emphasize that while requesting for understanding and co-operation from the developed countries, we in the developing world have a fundamental responsibility in improving our own development conditions

through appropriate policy measures and proper administration. This should be our contribution to international development, peace and stability. We are willing to be partners in international development and play our rôle equitably. It is, therefore, our hope that the debate and the conclusions reached on the various issues that concern this august assembly, will provide guidance in the conduct of international trade during the decade of the 1980s. Our goals should be realistic and practical so that attainable objectives are recommended during this session for implementation.