

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)99  
November 1982

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

Original: English

## STATEMENT BY MINISTER FOR INDUSTRIES AND COMMERCE, GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

1. We met in 1973. We meet again today in 1982. We met then at the climax of an unprecedented boom in global transactions, we meet today in the face of continued stagnation in world trade. We met then to sustain levels of prosperity already achieved, we meet today to attempt to restructure conditions for accelerating trade and ensuring equitable distribution of its benefits. This GATT Ministerial meeting may determine whether the world will regress inevitably into the doldrums of the 1930s or whether it will go forward purposefully towards expansion and prosperity. It will determine whether development will be pursued as a global objective or whether it will be cast aside in the pursuit of limited national interests. We stand therefore, at a significant watershed.

2. The world economy is in the throes of a major crisis, affecting both developed and developing countries. After a period of phenomenal growth, the industrialized world is suffering from low growth rates, rapid inflation and high unemployment over the last decade. The developing countries, on the other hand, are faced with falling commodity prices, persistent inflation, excessive imbalances in payments, volatile exchange rates, inadequate financial flows and high interest rates. They are, in many cases, struggling to maintain basic levels of subsistence. The success of that struggle is jeopardized, in large measure, by protectionist tendencies in major markets, manifest in increasing deviation from the rules and the development norms of GATT.

3. At this critical juncture, it is necessary to remind ourselves of the objectives and principles on which the multilateral trading system was based. The underlying idea was to provide a framework of international trade that would stimulate and sustain a high rate of growth in the world economy through an expanding volume of international commerce. The validity of this approach was indeed proved by the growth and development experienced until the early 1970s. The fact that we now face more difficult times can to a large measure be attributed to our disregard of this long-term vision, and our preoccupation with short-term measures that, far from providing solutions to our current problems, have only served to compound the difficulties. Indeed, the main justification for a Ministerial level meeting as this lies in its ability to take a long-term view and provide the political impetus and commitments to restore the dynamism of the international economy. The key to this is in the hands of the developed countries, both because of their rôle in the world trade, as well as the resources available to them, to translate the rules of unfettered multilateral trade into practice. They alone are in a position

to take into account the growing interdependence of the world economy, revive growth in the industrialized countries, and, simultaneously deal with the problems of recession and an open trading system that permits all countries to benefit equitably from the fruits of growth. What cannot be achieved by each one of us acting in isolation can be accomplished through collective efforts and a spirit of co-operation. The alternative to this would be a relentless slide into further protectionism, continued shrinkage of world trade, and retaliatory measures with their snowballing effects on the world economy.

4. At the operational level, the structure of a multilateral trading system has to be based on clear and unambiguous principles universally acceptable and capable of applications on objective criteria. A functioning machinery should also be set up to ensure that the agreed rules of the game are strictly enforced.

5. The specific areas of our concern today have been analysed and discussed in detail, and I need not repeat them here. However it is pertinent to underline the fact that the critical situation faced by the developing countries in general, and the least-developed countries in particular, needs to be addressed with the highest priority. As a case in point, the situation in Bangladesh is critical. While over the last decade our exports rose from US\$400 million to US\$600 million only, our imports registered an increase from US\$980 million to US\$2,400 million. In consequence, the adverse balance of trade widened from US\$580 million to US\$1,800 million. Bangladesh's terms of trade have declined to such an extent that today our exports buy only one third of what they used to do in 1972-73. Our situation is symptomatic of what has happened to the least-developed countries. As a fighting chance, we need to rapidly diversify our exports and enter into new areas. And for this we must receive certain privileges in the international market. The severity of the crisis for the least-developed countries would call for a set of special measures, on a non-reciprocal basis, to permit:

- (a) duty-free access to the exports of the least-developed countries,
- (b) application of flexible rules of origin in respect of exports of least-developed countries, and
- (c) elimination of non-tariff barriers to exports of the least-developed countries.

The least-developed countries are today in the periphery of the world economy, and it is only through the special measures that we have outlined that they can be drawn into the mainstream of world trade and development. We are happy to learn that basic groundwork in this regard has already been done in the Sub-Committee on Least-Developed Countries. We wish to put on record our thanks to the Chairman and members of the Sub-Committee for their painstaking work and dedication.

6. We are convinced that the sectoral issues that plague us today, the short-term expedience which breeds conflicts and the uncertainties that constrain investments, can be satisfactorily resolved only within the framework of bold new initiatives and mutual support.

7. The tasks, as we envisage, will not be easy. But we sincerely hope that this Ministerial meeting will prove equal to the challenge and will succeed in creating a new climate of co-operation for the benefit of all nations.