

# WORLD TRADE ORGANIZATION

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## STATEMENT BY PAKISTAN

### Agenda Item No. 14

The following statement by the delegation of Pakistan under item 14 at the General Council meeting of 8 and 31 July is being circulated at the request of that delegation.

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Last week, in the trade policy review of the European Union, the distinguished discussant raised a very pertinent point. He asked the EU if it had considered compensating developing countries for serious impediments to their growth and development that EU trade policies in key sectors, especially textiles and clothing, had resulted in.

If it were an ideal world, the answer to the question posed by the learned discussant would be in the affirmative. Developing countries had been called upon to make tremendous sacrifices in accepting to live under quota restrictions on their exports for over 40 years. In the Uruguay Round, too, they have had to make significant concessions to secure a progressive and gradual phase out of these restrictions. Despite 7½ years of that Agreement, however, the promised delivery of progressive quota elimination has remained only a hope. This, due to the rather ineffectual implementation by major restraining Members of their commitments under the ATC!

Developing countries, including Pakistan, have made a comprehensive case demonstrating that ATC implementation has impaired the balance of the agreement to their disadvantage. Virtually all quota restrictions are still in place. There have been other actions, too, responsible for disrupting the balance of the Agreement. There have been a number of safeguard actions without justification under the ATC. Barring a few, all of them were found by the TMB or Dispute Panels and the Appellate Body to be inconsistent with ATC obligations. There have been other similar instances of new restrictions including those against imports from Pakistan.

Rules of origin were changed. Anti-dumping actions have been invoked, causing great damage to the exports of developing countries, including in products that were already under severe quota restriction. Losses in business and import shares took place. Then, too, restrictions have been withdrawn on non-WTO members, while they are being kept on WTO Members. The principle of equity and non-discrimination has therefore been discarded.

Our friends from the restraining Members did not contest these plain facts. In the face of a comprehensive and uncontestable case by developing countries, they made but some tangential points. While developing countries made written submissions based on facts, figures and logic, they contented themselves with oral remarks. Only belatedly, the US made a written submission, making essentially three points: that the proposals required modifying the ATC; that as imports had

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generally been increasing over ATC years, ATC implementation should be deemed to be on track and without problems; that the proposals would subvert the balance of the Agreement.

In the CTG meeting of 23 July, the US points were fully considered. A number of delegations proved the US reasoning to be unconvincing. While detailed records of the CTG meeting will have to be awaited, those interested can refer to documents G/C/W/404 and 405. These documents reproduce the statements made at the CTG by Hong Kong, China and this delegation. In a nutshell, no modification is required in the ATC or in the domestic legislation of the restraining Members to implement these proposals. The purported increases in imports are not the result of ATC implementation, rather those of the preferential arrangements made by major restraining Members of their own volition. And the proposals can in fact go some way towards correcting the imbalance created by the implementation of the Agreement, rather than subverting or disrupting it.

For once, we had expected flexibility on the part of our restraining Member friends.

The adoption of the proposals would be beneficial not only for restrained developing Members, it will also assist the restraining Members in fulfilling their commitment to fully and faithfully implement the Agreement. Indeed it can be a win-win situation all around. Restrained Members could benefit. So could restraining Members and consumers. And to cap it all, it would be a positive and concrete signal to the outside world that the WTO system can be responsive to calls by developing countries.

We are disappointed that the CTG has not been in a position to produce a consensus report with recommendations to the General Council.

The issue involves an important mandate by Ministers and an equally important element of the Doha Development Agenda. Its satisfactory resolution is critical to developing countries' confidence in this Work Programme.

We believe that the General Council should now play its role in taking up and fulfilling the Ministerial mandate in accordance with its responsibility in the interval between the meetings of the Ministerial Conference.

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