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VANUATU

Statement by the Honourable James Bule
Minister of Trade, Tourism and Commerce

(Speaking as an Observer)

Firstly I would like to join other speakers in registering my thanks and appreciation to the Government and people of Hong Kong in organizing this important Ministerial Conference. Hong Kong has given my delegation a first-class welcome. We also thank the WTO Secretariat and AITIC, and look forward to their continued support for the participation of least developed countries in these important WTO discussions.

I would like to reaffirm Vanuatu's position that it is committed to becoming a Member of the WTO. Our accession is almost as old as the WTO itself, but since we started on the road towards membership over ten years ago, Vanuatu has become an increasingly open economy. This has been seen both in the foreign investment regime and in trade in goods, including commodity exports. These reforms have created jobs, increased living standards and made Vanuatu a stronger economy than before. Yet, it is also fair to say that stability and certainty for Vanuatu's investors and exporters remain something of a rare commodity, and being part of the rules-based multilateral trading system would be a strong signal about our commitment to engaging with the rest of the world.

Despite this commitment, Vanuatu must also be recognized as an LDC, which is made up of not one but more than eighty islands, each of them small and vulnerable. Many of these islands remain poorly connected with urban centres, let alone major export markets, and receive limited government services. As in other Pacific islands, natural disasters are a fact of life in Vanuatu – last week my own home island of Ambae was threatened with a major volcanic eruption, putting the lives and livelihoods of more than 10,000 people in danger. It is in this context that I urge Members to understand why special measures are needed to support the integration of small and vulnerable economies into the world economy, as outlined in the Doha Mandate. To deny the special circumstances of small and vulnerable economies like those in the Pacific, with limited export bases and fragile existences, is to restrict their opportunity to use trade as a tool for economic development.

Many have said that the Doha Round offers developing countries an escape route from poverty. We welcome progress this week towards duty-free and quota-free market access for LDCs. But along with other LDCs we share the concern that we will only benefit if this is implemented in a timely fashion and if it actually opens up trade in sectors where they have an export interest. Even with market access, it is still difficult to export to many major markets, because of their restrictive rules of origin and SPS requirements.

"Aid for Trade" is also vitally important for the Pacific region, which is rich in resources but lacks the capacity to exploit them. Two initiatives starting soon in Vanuatu are a programme of infrastructure investments sponsored by the Millennium Challenge Account, and support under the

Integrated Framework. On the latter we wish to thank the IF Steering Committee for agreeing to Vanuatu's request to become the first country in the Pacific to receive IF funding. We see it as a key building block to develop our future trade with the rest of the world.

Finally, on our own accession, I am pleased to confirm to the Ministerial Conference that my government is giving serious consideration to restarting accession talks in the near future. Four years ago, Vanuatu decided to suspend its accession process, because we believed that some of the demands being asked from us were greater than we could commit to, particularly in the area of services.

Since then we feel that much has changed, and we were happy to see members of the General Council agreeing with us in their 10 December 2002 Guidelines on LDC accessions. These, for the first time, stated explicitly that acceding LDCs should not be subjected to onerous demands from existing members. We look to good faith from these members to make sure that the guidelines are respected when talks begin again, with a resulting change in the demands being placed on us compared to the years before this statement. We believe that Vanuatu's accession will be the best "test case" of whether these guidelines are being implemented or not.

Vanuatu wants to be a Member of the WTO and enjoy the same privileges and certainty as other Members. There are many doubters back home in Vanuatu who believe that we should not play our part in the multilateral trading system or the global economy. While therefore we believe with others that there remain only a few issues to resolve in our accession, we attach equal importance to building domestic ownership of the process, and we do not have a particular timeframe for joining. First and foremost we wish to achieve an accession package which meets all the development requirements of Vanuatu.

In concluding, I am able to look forward to the successful conclusion of two rounds of negotiations. The first is the Doha Development Round, to give meaningful results to the small islands of the Pacific and developing countries elsewhere. The second is our own accession to the WTO, on terms which meet our development needs, so that Vanuatu can also start to see and reap equally the benefits of the global economy, as predicted by the Doha Development Agenda.
