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COLOMBIA

Statement by H.E. Mrs. Marta Lucía Ramírez de Rincón Minister of Foreign Trade

Colombia warmly welcomes the opening of this Third Ministerial Conference at which we shall launch a new round of negotiations and would like to thank the Secretariat of the WTO, the organizers and the Government of the United States for their efforts to secure the successful outcome of this Third Ministerial Conference, at which we, the developing countries, must ensure that we obtain conditions that will guarantee our sustainable development in both the short and the long terms.

That is our clear and specific objective, as most of my colleagues have stated yesterday and today: we have to solve the problems encountered in recent years when the implementation of some of the WTO Agreements coincided with difficulties in several economies owing to the weakness of policies to strengthen the production sector and, above all, as a result of the recent financial crisis that began 18 months ago in South-East Asia and then spread to Russia and subsequently to Latin America, leading not only to a worsening of the terms of trade for our countries but also to high costs and a reduction in flows of capital.

Consequently, while reiterating the determination of the Member countries to fulfil all the Agreements, we must at the same time be realistic about the current situation. Special and differential treatment must continue to be expressly affirmed as an element that will guide the negotiations we shall be holding over the next three years. This new round of negotiations must strengthen the multilateral system, it being understood that the system is not an end in itself, but must constitute the most important instrument for ensuring the more rapid development of the least-developed countries and a better balance for mankind's well-being.

The establishment of the WTO aroused great expectations in the developing countries. It was generally supposed that the existence of binding rules, non-discriminatory treatment and the creation of disciplines in the many Agreements would lead to a balance of rights and obligations whose benefits would be spread equally among all its Members.

However, history has turned out differently. The difficulty of negotiating the text of the Ministerial Declaration in Geneva was a true reflection of the present discontent of the developing countries since not only have the balance and benefits not been achieved, but in many cases the results have proved to be negative. Hence the widely accepted view that the beneficiaries have been the richer countries, running the risk that the system is losing its legitimacy. The existence of rules on special and differential treatment in all the WTO Agreements, which was seen as the great triumph of the developing countries during the Uruguay Round negotiations, has finally come to be seen as little more than a non-binding catalogue of good intentions whose functionality and margin of manoeuvre have turned out to be negligible and which have not been properly implemented.

It is regrettable that while in many cases we, the developing countries, have eagerly opened up our economies and pursued strategies to increase production so as to enter international markets, the developed countries have taken undue advantage of trade remedies against our exports by applying countervailing duties, initiating investigations and annual reviews for anti-dumping duties, or have imposed on us new sanitary rules or continued with the excessive granting of subsidies to their agricultural trade, not to mention the ever widening gap between the countries that have greater access to knowledge and information, scientific development, innovation and technology as opposed to those countries which, lacking sufficient resources, have not been able to benefit from the advances in those fields.

It is for those reasons that these new negotiations are of fundamental importance, because in our hands lies the responsibility to achieve a successful outcome that will help to strengthen the global economy as a whole, but, above all, will ensure the best possible result in each and every part, that is to say, a substantial improvement in the standard of living of every Member country of the system. We believe that this objective can only be achieved if the forthcoming negotiations lead to a more soundly based and more legitimate multilateral system. This can only happen if the current situation and the needs of the developing economies are properly acknowledged, not as a rhetorical declaration at this Ministerial Conference, but in terms of the operation and implementation of the Agreements.

We must not underestimate the danger that the strong institutional structure built up by the WTO over fifty years could collapse as a result of the inclusion of many different subjects whose development and solution should be kept within the forums established to deal with them and we should try to ensure that all the Members accede as soon as possible to the Agreements and obligations of those specialized forums. It is a paradox that some of the countries that place the greatest emphasis on the linkage between trade and labour rights have not yet signed most of the Protocols of the International Labour Organization. While it is true that subjects such as the environment and labour rights are not incompatible with trade-related subjects, it would be unacceptable if the relevant standards were raised through trade restrictions.

Similarly, we need to encourage analysis and discussion of fair trade, not from the comfortable perspective of preserving the status quo with the advantages that supposes for a very small number of countries, but from the point of view of achieving an overall structure in which all the Members share the benefits of free trade and have growing opportunities to create more and better jobs.

The developing countries have found it impossible to gain real access to the benefits of the system on account of the use of certain provisions in the Agreements on subsidies, safeguards and anti-dumping, which have meant that exports of some of our products, despite their insignificant share in the target market, have been subject to the stringency of these Agreements. Consequently, we have put forward concrete proposals with regard to these three Agreements, so as to try to restrict their application to developing countries, especially through the use of higher *de minimis* requirements.

The forthcoming trade negotiations must allow broader scope to domestic policies, which in Colombia's case pursue our objective of achieving a more diversified and competitive economy that will enable us to leave behind our situation as exporters of raw materials and become an economy exporting manufactured goods with greater added value and an exporter of services. If we are to achieve this freedom in domestic policy-making, we need longer periods than those established in the transitional periods in some of the Agreements. That is so in the case of the Agreement on Trade-Related Investment Measures (TRIMs), where we regard the period of five years as insufficient as no new production activity can be developed and become competitive in such a short period of time. Colombia attaches very great importance to the TRIMs, as they are an essential element in our strategy of developing production that will give us agricultural services and industrial sectors that meet the demands of greater competitiveness of international trade. Accordingly, we have proposed that, for the developing countries, the TRIMs should continue indefinitely.

The centrepiece of this whole process we are initiating today is undoubtedly the negotiations on agriculture. The attempt to achieve freer trade in agriculture, without export subsidies and with the minimum of domestic support, without the practices that distort fair competition in world trade, will be a difficult process as we have already realized from the statements made yesterday afternoon and this morning. We shall give our highest priority to this objective since we cannot ignore the fact that it is rural development above all that is an essential prerequisite for improving living conditions in the poor countries and is, of course, an indispensable element in achieving peace in countries which, like Colombia, are suffering serious internal conflicts with millions of persons displaced by violence, particularly in rural areas.

It is obvious that the unfair competition is caused by the developed countries, in particular on account of the almost unlimited resources available to their finance ministries to grant subsidies to their producers. This is why we must ensure that the commitments undertaken in the new round involve the immediate elimination of such distorting subsidies – a process that should have begun several years ago in the developed countries – and at the same time achieve real improvements in access for agricultural goods of special interest to developing countries. We therefore reject the concept of multifunctionality as a means of trying to delay the immediate elimination of such artificial and distorting advantages that have been used against our agricultural products. We also need better conditions and real access for goods produced under programmes aimed at developing alternatives to illegal crops and the full liberalization of trade in tropical products. The proposals of the Cairns Group and those put forward by Colombia in the light of the Cairns vision are clearly along these lines.

One of the main problems facing the developing countries is their weak institutional capacity that reduces their ability to participate and leads to a failure to take full advantage of the commercial opportunities offered by liberalization. However, equally serious is the fact that on account of the lack of human and financial resources our countries are not using the instruments agreed upon for the defence of their rights nor are they gaining access to the dispute settlement system in conditions of equality.

In response to this concern, a sizeable group of developed and developing countries has set itself the task of establishing a WTO legal advisory centre, to provide training and assistance on the rules and jurisprudence of multilateral trade for the developing and least-developed countries.

In order to achieve that, we have chosen this Third Ministerial Conference as the setting for the ceremony to sign the agreement creating that centre, since we wish to share the results of all that hard work with all the members of this Organization. The Government of Colombia is grateful for the enthusiastic support of all the countries that have worked with us on this initiative and have participated in setting up the centre, in particular, the Netherlands, United Kingdom, Ireland, Denmark, Norway, Sweden, Finland, Italy and Canada.

Before concluding, I should like to share with you some thoughts on the events that took place when, together with other delegations, we were the targets of aggressive action by some demonstrators on our arrival at the inaugural ceremony. That event, which some people saw as a peaceful protest, led us to think about the paradox existing in world trade, namely, that the strongest protests take place precisely in those countries that benefit most from the world market.

Our products, like some of us yesterday, have been the subject of all kinds of hostility, inconveniences, barriers and attacks that prevent us from gaining free access to international markets. The so-called peaceful protests that took place yesterday have their counterpart in the field of trade in phytosanitary measures, anti-dumping duties, labelling rules and what they now want to call labour standards. Let us hope that this meeting and the greater strengthening of the system will give our goods the opportunity to gain an increasing share in – we hope – a more transparent world market that

has fairer rules which not only promote greater growth in trade, but also give us better access to technology, to state of the art scientific developments and guarantee us more substantial flows of investment.

It is not logical that the system has guaranteed access to our markets for the goods of the developed countries whereas obstacles are now being created for the access of our products by virtue of elaborate concepts such as multifunctionality or fair trade, without considering that what has not been fair for us is to have to compete in foreign markets and even in our own markets against products that are highly subsidized.

The fact is that our countries do not possess any system efficient enough to show the cohesion of civil society and to enable us to take up a position in the face of globalization such as we saw yesterday, since some of our countries are facing serious problems of internal public order and at the same time as we are seeking to achieve peace, strengthen our democracies, combat drug trafficking and reinforce our production sector, we consume a large part of our time and energies in trying to provide our people with the barest necessities – as yet unsatisfied – for which reason our civil society is hardly able to organize itself and question the direction that globalization is taking.

We hope that at the end of the day, as a result of the development round, our exports will be able to gain real access to the markets of the developed countries, fair conditions and some freedom in domestic policy-making so as to strengthen our production sector, it being understood that our desire to implement the commitments assumed must take account of our weaknesses and current circumstances, which are still reflected in a deep recession in several of our economies.

Despite the critical public order situation that it faces, Colombia is committed to the multilateral trading system as the best way of enabling us to take an active part in the process of globalization which, as several previous speakers have pointed out, is not a just or unjust policy option but a rapidly unfolding historical process and we must, with intelligence and proactively, derive the greatest possible benefit from it for our peoples.

Colombia, as a Member country of the Andean Community and committed not only to this integration process but also to the hemispheric integration in the Americas and to the multilateral process, is now directing the whole of its development strategy to achieving peace under the leadership of President Andres Pastrana, by seeking to ensure that peace, economic growth and the creation of employment are achieved by means of an export model provides the structural conditions to allow us to take full advantage of the potential in natural wealth and human resources that our country possesses.

We are ready to work constructively so as to ensure that this round strengthens the system by bringing within it and within its rules all products and services as well as all the countries of the world. We therefore welcome the forthcoming entry of over 30 new countries into the Organization, including China. We shall work to bring greater legitimacy into the system so that it will become a forum that effectively promotes the well-being of all the Member countries.

That is the challenge before us and that is our commitment.
