

WORLD TRADE ORGANIZATION

WT/MIN(98)/ST/88

20 May 1998

(98-2105)

MINISTERIAL CONFERENCE
Second Session
Geneva, 18 and 20 May 1998

Original: English

MALDIVES

Statement Circulated by the Honourable Abdulla Yameen, MP,
Minister of Trade, Industries and Labour

Fifty years of the existence of the Multilateral Trading System (MTS) is indeed an achievement worthy of celebration. The evolution of the System to what it has emerged today is the payoff of the laborious endeavours of the parties to the System, including its Secretariat, over the past half a century. The system has contributed incessantly to the development of the world economy by providing a trajectory on which global trade has continued to expand. On this historic occasion of the 50th Anniversary of the MTS, therefore, I congratulate the parties to it and wish it continued success.

The Maldives affirms its commitment to the MTS which provides a rule-based mechanism within which the possibility exists for each and every country, big and small, rich and poor alike, to claim their fair share of benefits, both from negotiations as well as through its dispute settlement mechanism.

This Second Session of the WTO Ministerial Conference offers us the first opportunity since we met in Singapore a year and a half ago, not only to hail our achievements but also to review our agenda for liberalization of world trade. It also provides us a forum to discuss the issues of contention and to resolve to strengthen our policies and to capitalize on the progress we have made thus far. In so doing, we must continue not only to acknowledge the existence of the need for the special and differential treatment to those genuinely needing it, but also take proactive measures to address these concerns. We must say what we mean, and we must do what we say. Only then can we claim that the WTO is a truly global organization.

I commend the vigorous work of the Director-General with a renewed thrust since the Singapore Ministerial to address the concerns of the least-developed countries (LLDCs). The subsequent High Level Meeting (HLM) of the Ministers of the LLDCs and the follow up activities that are being undertaken by the Secretariat has provided new hopes for these countries. The momentum, however, needs to be maintained if these endeavours are to be effective and bear fruit.

These activities largely focus on the trade-related technical assistance and cooperation, issues of market access and the provision of reference facilities through the use of information technology to enable the LLDCs to be better informed of the developments within the WTO system.

I welcome the integrated programme of technical assistance that is being implemented by the WTO and five other international agencies. I also gratefully note the offer of the developed countries, to enhance market access for imports from LLDCs. I record my appreciation of, and gratitude for, the European Unions's announcement that effective from 1 January 1998, non-ACP LLDCs are

./.

benefiting from zero duties on a large number of industrial products and also from tariff reductions on agricultural products in line with ACP preferences. Both of these categories, it might be added, were previously excluded from GSP. According to the Director-General's report on the outcome and follow up of the HLM, 99 per cent of LLDCs' exports now enter the EU market duty-free.

While I acknowledge that these represent unparalleled developments, there remains a fundamental need for LLDCs: the need to build a capacity for industrial as well as service production. To redress the marginalization of LLDCs, I believe that the developed countries and the financial institutions in these countries can play a more proactive role by encouraging their businesses to invest in LLDCs in which environments conducive to foreign direct investment exist.

It is ironic that at a time when benefits of unilateral trade preferences are being eroded and traditional non-tariff barriers dismantled, some countries are imposing new ones ostensibly in the guise of technical regulations, sanitary and phytosanitary, and environmental measures. Other unilateral actions such as frequent and prolonged customs investigations and other procedural impediments also cause disruption to market access and production losses and discourage exports of LLDCs. In my opinion, many of the developing, especially least-developed, countries are not even able to fully comprehend the complexities and the implications of such regulations let alone comply with them.

We all acknowledge the slow progress of the implementation of the Uruguay Round Agreements, such as the Agreement on Textiles and Clothing, and express our dissatisfaction in this regard. These are our failures and we need to redress them. I fully share the views of the International Textiles and Clothing Bureau in this regard and call upon WTO Members to unconditionally take measures to honour the commitments made at the Uruguay Round and thereafter.

I also believe that the WTO should take on board the issue of harmonization of preferential rules of origin applied in the context of voluntary preferential arrangements accorded to the developing countries by the developed countries. Harmonization and regulation of preferential rules of origin by the WTO would provide a framework that should eliminate many of the problems that exporters and importers face as a result of the multifarious sets of preferential rules of origin and the lack of transparency in interpretation and application. I note that UNCTAD has already highlighted, in a paper produced in November 1997 for the Group of 77 in Geneva, the need and the importance for inclusion of preferential rules of origin in the WTO regulatory mechanism.

It has taken fifty years for us to mould the MTS to what it is today, despite working on the single track of trade. We therefore need to ask ourselves whether we ought to link issues such as social standards to trade. Such a move would inundate us with the entailing deluge of workload. It would not only result in resource duplication; more alarmingly it could undermine the effectiveness of the WTO as the true master of world trade. I believe that these are issues that can be better discussed and resolved at appropriate forums outside the purview of the WTO.

In conclusion, I express my profound hope that WTO would continue to contribute to the growth of the global economy by providing a balanced and strong framework that ensures equitability of benefits, making the difference that it has been making hitherto and more to the lives of billions of people.
