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DOMINICA

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We started something very important two years ago when we last gathered like this. We began to give hope, reassurance and confidence to the smaller, weaker, and the poorer, as well as the most vulnerable and the marginalized among us in the possibility of attaining the long anticipated and promised benefits from the WTO and its multilateral trading system. It was called the Doha Development Agenda. We have gathered again here at what should be a midway point. However, the road has proven to be difficult, slow and frustrating. We have arrived at a crossroad. This will be a defining moment for the WTO. Much is at stake for all of us. But so much more is on the line for the smaller, the weaker and the most vulnerable among us.

Dominica along with its fellow CARICOM partners continues to firmly believe that the interests of developing countries must remain at the centre, indeed at the very core of these multilateral trade negotiations. We must not lose the opportunity to correct the many imbalances that exist in the global trading system. The development promise of the Doha Agenda must be realized. In this regard Dominica is particularly concerned that the negotiations have been stalled on several key policy issues of vital interests to developing countries.

It must be emphasized that it is the small and vulnerable economies which stand to lose the most if progress is not made in these essential areas. The particular structural disadvantages and vulnerabilities of small developing economies, in particular Small Island Developing States (SIDS), must be recognized and taken into account in these negotiations and in the formulation and application of multilateral trade rules. The point needs to be made that small economies generally have very little individual or even collective influence on international trade flows. One can hardly talk of trade distortions being caused by any action that these countries might take. Furthermore, the contribution to international trade of small economies has not been increasing. The liberalization undertakings required of these countries must therefore avoid any further loss of their market share and possible de-industrialization.

Dominica joins its fellow ACP Member States in emphasizing that Special and Differential Treatment (S&DT) is a core principle in the WTO and an important instrument for mainstreaming development in the multilateral trading system as well as balancing the scales between developed and developing countries. Immediate action must be taken to adopt effective measures with substantive economic content and meaning for those who need it most. The political will needs to be mustered to address all the proposals that have been made so that agreement can be reached.

Trade preferences have played and continue to play a significant role in the economic development of small economies. Dominica like its CARICOM counterparts continues to suffer from diseconomies of scale and other deficiencies that make it difficult if not impossible to compete on equal footing in the global market. This means that for now and the foreseeable future, we will continue to rely on preferences to a very large extent for our survival. Long-standing trade preferences must therefore be maintained and secured in the multilateral trading system. The rules

must be flexible to accommodate the granting of these preferences and exemptions must be allowed based on special development needs. Dominica is particularly concerned about the erosion of preferential margins that further tariff reduction commitments by developed countries will cause. Appropriate compensatory and other mechanisms would therefore be critical to address this situation.

The tariff levied at the border is the single largest source of revenue for the Government of Dominica. Border duties contribute more than 50 per cent of Dominica's recurrent revenue. With the further reduction of tariffs towards their eventual elimination Dominica faces a serious and possibly insurmountable fiscal challenge. The concept of asymmetry or less than full reciprocity in reduction commitments is of critical importance to Dominica. We are committed to the principle of trade liberalization, but we need to be able to decide our own rate, pace and scope of liberalization. Commitments should only be expected to the extent consistent with our development, financial and trade needs. Small economies with a high tariff revenue dependency ratio should be exempt from further tariff reduction during this Round of negotiations.

Dominica wishes to reiterate the Caribbean and ACP position that the Singapore Issues have far-reaching implications for national economies, including the constriction of policy space, the irreversibility of negotiation outcomes and implementation costs. The benefits of negotiating a multilateral framework for the Singapore Issues are not yet evident to us. It is imperative that the process of clarification of these issues should continue before contemplating negotiations on these subjects.

In addition, Dominica's scarce resources and limited capacity make it difficult to take on negotiations in any additional areas. Dominica, like most CARICOM member States and other smaller economies, does not have a physical presence in Geneva and therefore does not take an active enough part in the negotiations. This must be recognized. It is imperative that developing countries receive technical assistance and support in their efforts to become more active Members of the WTO. Our capacities need to be developed to more effectively negotiate, monitor and implement WTO Agreements, especially in view of the heavy workload arising from the Doha Work Programme. Technical cooperation and capacity-building must also include building supply capacity so that advantage can be taken of increased export opportunities.

Dominica continues to believe in a multilateral trading system that is all-inclusive and that addresses the needs and concerns of all its Members equally but that pays special attention to the needs of those which are more disadvantaged,

Before concluding, I join other speakers in warmly welcoming Cambodia and Nepal as the newest Members of the WTO.

May I also take the opportunity to thank the Government and people of Mexico and the city of Cancún for their hospitality on the occasion of this Fifth Ministerial Conference of the WTO.
