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Statement Circulated by H.E. Mr. Han Duck-soo,
Minister of State for Trade

I would like to express my appreciation to the chairs of the Ministerial Conference, to the Swiss Government and to the Director-General for the good preparation of this meeting. On the eve of the Commemoration of the 50th Anniversary of the multilateral trading system, this Ministerial Conference of the WTO takes on a special significance. Half a century has passed since leaders of the world first met to draw the blueprints of what became a major institution of global economic policy making. Today, we are gathered here to reflect together on the past achievements of this institution and its new horizons. Undeniably, we, as a congregation of economically interdependent communities, have accomplished a great deal in promoting international trade and world economic growth. The inauguration of the WTO in 1995 was a remarkable example. But the world must keep a watchful eye on the road ahead if it wishes to continuously benefit from this interdependence.

The past decade has witnessed tremendous progress on the world trade scene. The launch of the WTO not only produced an unprecedented increase in market access but also successfully incorporated such pivotal sectors as services, intellectual properties and agriculture in the multilateral trading system. The WTO has also introduced a new efficient mechanism of dispute settlement to the multilateral trading system. Korea believes that, by guaranteeing a stable and rule-based operation of the trading system, the dispute settlement mechanism has become a central element of the WTO.

Building on this momentum, intensive negotiations held in recent years have also brought major developments: a historic pact on basic telecommunications, an agreement on information technology products and another agreement involving more than 100 countries to liberalize global financial services. The Singapore Ministerial Conference provided another breakthrough by initiating deliberations on new issues such as competition policies and investment and by encouraging new accessions to the WTO. Ascertaining the incidence of these new issues and ensuring WTO's universality foster far-reaching advances in trade liberalization.

However, these bright achievements, if not properly sheltered and given forward momentum, could soon be overshadowed by darkening skies. Indeed, many fear that a turmoil like the current Asian financial crisis may exert upward pressure on the demand for protection. Re-emergence of protectionism would not only delay a speedy recovery of the affected countries in Asia, it would also undermine the principles guiding the WTO, thereby jeopardizing sound world economic growth at the dawn of the next millennium. The affected Asian countries, including Korea, are important trading nations of the world; the sooner their economies recover from the current difficulties, the more trade-related benefits will accrue to their trading partners.

Facing adversity, the Korean Government has been taking a bold course in addressing its current economic difficulties. It has undertaken an ambitious programme to reform the whole structure of the economy including the financial sector, and increase transparency and openness in all economic activities. Regulations on foreign investment are also undergoing radical changes as mergers and acquisitions of Korean businesses by foreigners have been completely liberalized. Moreover, laws are being revised to enable foreigners to acquire land so as to ensure an optimal environment for investment.

These steps by individual countries, however, must be combined with concerted efforts by the international community to overcome the current crisis. In order to prevent a similar crisis and a possible re-emergence of protectionism from seriously denting global welfare, we must all stand by our shared commitments to freer flows of goods, services and capital. Enhancing the coherence between the WTO, the IMF and the World Bank is therefore essential to guaranteeing greater coordination in global economic policy making.

Looking ahead, Korea joins those Members who are of the view that today's economic realities call for a new round of multilateral trade negotiations with a much broader scope than the built-in agenda. Korea believes that extensive multilateral trade negotiations will substantially increase market access opportunities and thus secure future growth in the world economy.

In discussing the modalities of forthcoming trade liberalization activities, a few important considerations must be weighed. Substantial support from both domestic and international fronts is a prerequisite for a productive round. Equally important is maintaining a stable balance of interests among all participating countries. In particular, we must see to it that due care is taken to avoid the marginalization of developing countries in the process. The Uruguay Round has shown us the merits of multilateral trade negotiations of a comprehensive nature in addressing these concerns.

In concluding, the Republic of Korea wishes to reaffirm its commitment to the underlying principles of the World Trade Organization. The current difficulties in Asia provide an additional incentive to inject a new confidence in the multilateral trading system as they make it necessary to lift our sights to the challenges they have brought for the world economy. Through revived and sustained growth fuelled by mutually beneficial rule-based trade liberalization, countries will build a bridge over the troubled waters and pave the way to a prosperous future. In this vein, this Ministerial Conference provides an important opportunity to solidify the pillars of this institution and lay the foundations necessary for another half century of evolution in our multilateral trading system. It is with such firm conviction that Korea will participate in the joint exercise of WTO members to promote harmonious development of world trade in the early phase of the coming millennium.
