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MALAWI

Statement by the Honourable Peter Kaleso MP Minister of Commerce and Industry

First of all, let me join the previous speakers in thanking the Government and people of the Islamic Republic of Qatar for their warm welcome. I am also thankful for the excellent facilities made available for this important conference.

This conference is of historical and far-reaching importance in that it will lay the foundation for the programme that will guide the multilateral trading system. It is the expectation of my delegation that the outcome of the conference will facilitate the economic growth and reduction of poverty in Member states of the WTO, particularly the least-developed countries (LDCs).

LDCs are very much on the margin of the multilateral trading system under the WTO. In this regard, Malawi believes that the start of the new Round of negotiations should be premised on the full implementation of the commitments made by the developed countries during the last Round and on the evaluation of their effects. We believe that it would be more fruitful for the multilateral trading system to get into new negotiations after the WTO membership has taken stock of what has been achieved following the last Ministerial Conferences, especially with respect to resolving implementation problems, removing imbalances in the existing agreements and making operational the decisions on the special measures for the LDCs.

Malawi, a keen Member of the WTO and an active participant in the sub-regional integration groupings of COMESA and SADC, today faces severe economic problems, including the declining prices of its major exports, weak competitiveness, supply-side constraints and weak institutional and human capacity. These problems adversely affect the country's export earnings and balance of payments position. Regrettably, these issues are not fully covered under the WTO framework.

We, therefore, propose that development issues should be accorded the highest priority in the WTO. For the multilateral trading system to take an inclusive approach and to bring into its mainstream the poor Members, it should focus on development. In this regard, the future agenda of the WTO should include the following priorities:

- The provision of assistance to develop and improve infrastructure for trade, particularly transport systems aimed at minimizing the constraints arising from being landlocked;
- the examination of the structure of commodity markets and the resulting low prices;
- the establishment of a trust fund to assist LDCs in meeting the costs of the implementation of WTO Agreements and other international obligations; and
- the establishment of institutions to facilitate the transfer of technology.

As an LDC, we face difficulties in implementing the Uruguay Round Agreements. The difficulties faced are primarily attributed to weak and inadequate institutional capacity of the local implementing agencies in Malawi. The main constraints which we face are:

1. The inadequate human and financial constraints to enable the country to review and align its laws, rules and regulations to WTO requirements;
2. the lack of adequate technical assistance; and
3. the lack of financial resources and legal expertise to utilize the dispute settlement mechanism.

I would like to say that, on implementation issues, emphasis should be put on improving the market access for developing countries, especially the LDCs, and also on strengthening their capacity to enable them to fully participate in the global trading system. Specifically, Malawi is asking that a system of review and evaluation be established which would consider, among other things:

- The implementation of the special and differential treatment provisions;
- the progress on technical assistance, in particular, the putting into operation of the Integrated Framework (IF) and the widening of the country coverage of the JITAP Programme; and
- the impact of the various agreements on LDCs.

On the negotiations on trade in agriculture, I wish to stress the importance of market access for agricultural exports. Agriculture is the mainstay of Malawi's economy and, I am sure, of many other countries. Food security and the sustenance of agriculture-based livelihoods are some of the important developmental goals for many developing countries. But export subsidies administered by some Members on agricultural exports have distorted the markets and rendered our exports uncompetitive. An inclusive approach to the running of the multilateral trading system requires that this organization should consider the following issues:

- Duty free and quota free markets for the poorest Members and making concessional market arrangements sustainable by binding them under the WTO;
- the provision of adequate technical and financial assistance to LDCs to enable them to increase their local food production and strengthen capacity in marketing, storage and distribution;
- the exemption of LDCs from undertaking commitments on domestic support and export subsidies; and
- the elimination of non-tariff barriers in agricultural trade.

With regard to TRIPS, Malawi, like many other developing countries, are looking for easy access to essential drugs. The issues of patents should not cloud the fact that many people are in dire need. Many people are dying because of the lack of access to cheap drugs. Malawi, therefore, supports the adoption of a separate Ministerial Declaration on Intellectual Property and Public Health, stating that Members shall be free to take measures to protect public health.

Malawi welcomes the recent initiatives undertaken by the European Union and the United States of America in favour of LDCs, notably the Everything-But-Arms (EBA) and the Africa Growth and Opportunity Act (AGOA) respectively. Nonetheless, there is a need to relax the stringent application of sanitary and phytosanitary measures, technical standards, rules of origin, etc.

There is also a need to consider extending the periods for the concessions and binding the arrangements to create an environment of certainty for investors and traders. Let me also call on the

WTO to grant the requisite waivers for the non-reciprocal arrangements in favour of developing countries and LDCs, including the ACP/EU Partnership Agreement.

On technical assistance, Malawi proposes that more technical assistance should be targeted at developing countries and LDCs to support various programmes for development, including the following:

- Implementation of WTO commitments;
- efforts to overcome supply-side constraints and to diversify the production base;
- transfer of technology;
- trade facilitation;
- institutional capacity building; and
- human resource development.

All in all, my delegation would like to support the calls by other delegations that the WTO be development-oriented.

In conclusion, I would like to thank the WTO Secretariat, the various Governments and Donor Agencies for the assistance given to Malawi. A lot more needs to be done to get the developing countries and LDCs integrated into the WTO. A working multilateral trading system will boost the global economic development and, therefore, will strengthen the pillars of world peace. Talking about peace, my delegation would like to join those who have spoke before us in condemning acts of terrorism in various parts of the world, including the recent horrible attacks on the United States.

Finally, but not least, I would like to reiterate Malawi's commitment to the implementation of the WTO Agreements. Malawi, like any other LDC, will strive to contribute to the strengthening of the multilateral trading system despite the financial and human resources at our disposal. It is our hope that given the support to the WTO cooperating partners, Malawi can fully integrate into the multilateral trading system.

Finally, on behalf of Malawi Government, I welcome the People's Republic of China and China Taipei for their accession to the WTO. Their membership will indeed contribute positively to the multilateral trading system.
