

# WORLD TRADE ORGANIZATION

WT/MIN(01)/ST/1  
10 November 2001

(01-5580)

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MINISTERIAL CONFERENCE  
Fourth Session  
Doha, 9 - 13 November 2001

Original: English

## SINGAPORE

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### A New Development Agenda

1. We meet in Doha, in the middle of a war against global terrorism, to launch a new set of structured negotiations, to use the formulation of my good friend, Youssef Boutros-Ghali of Egypt. The last time we met in Seattle, the meeting ended not only in failure but in recrimination.
2. We must be resolved to do better than Seattle. In 1989, the Berlin wall came down, signifying the end of the Cold War and ushering in a new era of hope for hundreds of millions of people. Five years later, in a less ideological world, the Uruguay Round of negotiations was concluded in Marrakesh. The Marrakesh Agreement led to the establishment of the World Trade Organization (WTO) at the Singapore Meeting in 1996.
3. The WTO establishes clear rules for trade. Under the WTO, all members are supposed to be equal. The WTO multilateral framework requires all members to extend, immediately and unconditionally, treatment no less favourable than what they accord to other members. Every member is involved in the formulation of WTO rules and decision is by consensus. This means that small and poor countries have more say under the WTO than in a world where might means right.
4. Why is there then so much dissatisfaction with the WTO, especially among developing countries?
5. The WTO is naturally associated with globalization and therefore associated with many of the problems which globalization has brought about. Some developing countries feel that globalization has left them behind. Whereas they could negotiate more for themselves during the Cold War playing one big power off against another, many now feel ignored and taken for granted. They sense, from among the OECD countries today, a 'take it or leave it' attitude. The New Economy revolution has widened further the gulf between rich and poor countries.
6. However, it would be wrong to lay the blame for the new situation on the WTO. Without the WTO, our difficulties would not go away. Indeed, they may become worse. With the WTO, there is at least an avenue to seek improvement. But for WTO rules, the richer countries would have even more power over poorer countries, especially the smaller ones. Our common objective should be to strengthen the WTO, not to weaken it.
7. Otherwise, we risk the world breaking up into blocs. Already, the EU is preoccupied with expanding its membership eastwards. The United States is moving southwards and hopes to conclude a Free Trade Area of the Americas (FTAA) by 2005. Three days ago, the leaders of ASEAN and China agreed to commerce negotiations for an ASEAN-China FTA in 10 years.

8. While these regional initiatives are in themselves positive and organic, without an overarching WTO framework, they can lead to the world breaking up into inward-looking trading blocs. In that scenario, developing countries outside of these three spheres of influence may find themselves marginalized or, worse, shut out of the trading game. Within each bloc, the smaller, poorer countries will have less negotiating leverage.

9. The right response for us is therefore not the weakening of the WTO framework but its improvement. In previous rounds of trade liberalization, some countries signed on without realizing the full implications of what they agreed to. Understandably, there is a reluctance now to agree to another round. This is a point of view which we in Singapore are sympathetic to. Although we are a middle-income country now, it was not a long time ago when we were poor. And being a small country, our human resources are limited and we have few experts in WTO matters. Singapore therefore feels strongly that any effort to launch a new agenda of negotiations must have a strong development focus and requires, as a precondition, the building up of capacity in developing countries. Sweet words are not enough. There must be binding commitments to such efforts. To be practical, the WTO should make use of existing international facilities like the World Bank and not seek to replicate them.

10. The new round which we are attempting to launch at Doha is the first after the Cold War, and the first after the formation of the WTO. We should do much better than the past. We need a new understanding between developed and developing countries – a new compact – which gives hope to the poorer countries that their best hope for the future is through the global economic system and based on rules which give them a leg up.

11. In Singapore a few weeks ago, Minister Iddy Simba of Tanzania suggested calling this the 'New Development Agenda', rather than the New Round, as the name 'Round' brings back bad memories of commitments made without full understanding in the past. We should support his call, not only in form but, more importantly, in substance. The Doha Declaration must incorporate elements of particular concern to developing countries, especially in the areas of market access for agricultural products and textiles, capacity building and special and differential treatment. The rich countries are well able to look after themselves in the negotiations. They have armies of experts who can scrutinize every paragraph and every clause, and anticipate every conceivable implication of an agreement. Our sympathies should be reserved for those who have difficulties defending and advocating their own interests.

12. With the global economy tipping into recession in every continent, launching a New Development Agenda sends a positive signal to investors and consumers. Another failure after Seattle will give heart to all the naysayers of globalization and make an early economic recovery that much more difficult for all of us.

13. As complicated as it already is, our declaration at Doha is only to lay out the agenda for negotiations. But it is a critical step forward without which nothing else can be done. Coming after 11 September, launching a New Development Agenda will be an expression of our common desire to create a safer, better world for ourselves and for our children. China's entry into the WTO proves beyond doubt that, of all possible futures, that based on a common set of agreed rules is the best and the most civilised. All other alternatives to the WTO resort to cruder methods of power and influence. For all these reasons, Singapore as a city-state supports the launch of a New Development Agenda in Doha.

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