

WORLD TRADE ORGANIZATION

WT/MIN(01)/ST/39
11 November 2001

(01-5654)

MINISTERIAL CONFERENCE
Fourth Session
Doha, 9 - 13 November 2001

Original: English

INDONESIA

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It is a great honour for me to be able to address the WTO Fourth Ministerial Conference, which takes place in this beautiful city of Doha, Qatar. Allow me, to firstly extend my profound gratitude and high appreciation to the Government and people of Qatar for their warm hospitality and for the tremendous efforts they have exerted in preparing the facilities for this conference. May I also take this opportunity to express my appreciation to the WTO Secretariat staff for their hard work in assisting the substantive preparation of this conference.

As the threat to the world economy of a gloomy global recession looms, countries have increasingly looked towards the WTO for answers and to provide the much-needed economic boost. Various WTO Members have tabled comprehensive agenda as solutions to foster the sagging world economy. However, the experience of the last decade has shown that it was by ensuring greater market access in the multilateral trading system, that the WTO was able to contribute significantly to the world economic growth and development. While it is argued that other issues might play a role in the multilateral trading system, in the face of the current global economic downturn. Indonesia is convinced that it is only by further ensuring greater market access in the world economy, especially for products of developing countries, that can avoid a global recession and re-ignite trade as the engine of future economic growth.

In this light Indonesia fully recognizes the importance of preserving and improving the multilateral trading system in order to promote economic growth, development and employment. Accordingly, Indonesia is fully aware that all obligations therein should be implemented in the form of policies consistent with rules and procedures of WTO Agreements. Although Indonesia is being severely affected by the financial crisis for a very long time, we have not reneged on our commitments in the WTO and have unilaterally and consistently pursued trade liberalization, and in some cases even beyond our existing WTO commitments. Of course, we also share the concerns that the system itself needs to focus more clearly on the needs of the developing world, particularly as the globalization process has unleashed unprecedented challenges and opportunities at times where industries are ill-equipped to either adapt to or take advantage of. A blind belief in the multilateral system is not enough in itself. We need to ensure that the rules-based multilateral trading system is adapted to securing a fair share in the growth in international trade for the developing world, and in the case of Indonesia commensurate with the needs of our economic development.

Being a WTO Member, Indonesia wishes to see WTO as an institution for the multilateral trading system that could create an appropriate policy to respond to the challenges posed by the growing interdependence of national economies especially as we are experiencing global economic downturn. In particular the process of globalization, which has emerged partly with the lowering of barriers to trade, has marginalized a number of developing countries in the global economy. The reversal of this process also requires close coordination between the IMF, the World Bank and the

WTO. In this context, the WTO has to move to the centre stage in an evolving system of global economic governance in order to ensure a more equitable distribution of trade. This as a whole will benefit all Members, in particular the least-developed and developing ones, from increased opportunities and gains from trade liberalization.

We are all aware that the establishment of the WTO is to ensure strengthened rules-based international trading system that provides enhanced certainty and security for market access. Through strengthened rules-based international trading system, unilateral trade restrictive measures imposed by certain Member countries could be prevented. This is the very essential contribution of the WTO to the creation of a system of transparent and predictable global economic governance. Furthermore, the key challenge confronting the multilateral trading system is to ensure that issues of development are addressed adequately and decisively.

Indonesia together with many other developing and least developed countries repeatedly stress the importance of Implementation Issues as we have a range of concerns under existing WTO Agreements that we seek to address. We strongly urged that these issues be fully addressed and resolved before engaging into a new package of multilateral negotiations. It is imperative for the credibility of the multilateral trading system. It is also part of building confidence for developing countries. We maintain that the problems of implementation not only involve the inability of Members to comply with their obligations, but also relate to measures that are in clear contravention with the spirit of the Agreement. For example, we are strongly of the view that some provisions Agreement on anti-dumping needs to be improved or amended. In the context of Agreement on Subsidies and Countervailing Measures, we seek to review Annex VII of the Agreement so as to enable developing countries to automatically reserve the right to have flexibility under Annex VII of the Agreement. Similarly, we seek improvement in the implementation of the Agreement on Textiles and Clothing, crucial to the economies of many developing countries. For some agreements, the existing substantive and procedural obligation are difficult to implement and often go beyond the capacity of developing countries. In this case, technical assistance is very helpful to them in order to increase their capacity, to fulfil their obligations properly. The success of this Ministerial Conference will very much lie on satisfactory resolution of these implementation issues.

Equally important as implementation issues, my delegation would like to take this opportunity to, once again, reiterate and emphasize our concerns over the role of Special and Differential Treatment in assisting least-developed and developing Members in implementing their obligations as well as deriving benefits from trade liberalization. We believe that the benefits of trade liberalization would be more equitably shared if all countries have more or less similar level of capacity and economic development. Therefore, many other developing countries, including Indonesia, believe that it is imperative that relevant WTO provisions on special and differential (S&D) treatment for developing countries be an integral part of all WTO negotiations and embodied in the commitments. These provisions should also be reviewed and improved in order to make it more adapted to current realities, operational and mandatory, so as to enable least-developed and developing countries to effectively pursue their development objectives while participating fully in the international trading system.

While we are committed on the future role of the multilateral trading system, we nevertheless, need to ensure that future agenda should be focused on issues of competence to the WTO that could accommodate the interest of all Members particularly the developing countries.

In the area of agriculture, our objectives are to achieve a substantial improvement of market access opportunities for our current and potential agriculture export products in order to improve fair trade conditions on imported or exported agricultural products; and to ensure that non-trade concerns of developing countries such as rural development, poverty alleviation and food security are fully accommodated in the ongoing negotiations. In recognition of the unequal capacity and level of development of developed and developing countries, the special and differential treatment for

developing countries should be an integral element of the negotiations and shall be embodied in the Schedules of concessions and commitments and, as appropriate, in the WTO rules and disciplines to be negotiated.

The TRIPs Agreement, should be interpreted to ensure that the benefits of intellectual property regimes are equitably shared between the innovators and users of technology. Intellectual property protection, which encourages innovation and technological development, should be implemented in a manner that meets public and social policy objectives, as well as striking a balance between intellectual property protection and maintaining a competitive international trading environment. Indonesia believes that issues which should be clarified, amongst others are the protection of bio-diversity and food security.

Regarding the promotion of public health interest and the relationship with the TRIPS Agreement, while we fully respect the importance of intellectual property rights protection in providing private rewards, and to some extent stimulus towards research and development, our main concern are related to the limited options to make available the needed medicines at affordable price. As we cannot ignore the fact that, under the TRIPS Agreement, public interest in relation to public health has not been fully safeguarded, my delegation is strongly of the position that it is highly important for WTO to address the concerns of developing countries on this issue and adopt a meaningful Ministerial Declaration which ensure that Members particularly developing countries are allowed and encouraged to avail themselves to the widest range of policy options for protection and promotion of public health by ensuring full access to medicine, especially for pandemic and epidemic.

We consider the importance of Market Access for non-agricultural products as an important subject for developing countries. Indonesia is of the view that this negotiation should ensure our objective to ensure the reduction and elimination of tariff peaks and tariff escalation on products of export interest and in value added sector that offer to build upon the comparative advantages of the developing countries. While the average MFN tariff rate in the major advanced industrial countries are low, the level and the frequency of tariffs remain a matter of concern in a number of key sectors of direct interest to developing countries. Frequent tariff peaks and significant tariff escalation still apply on textiles and clothing, footwear, processed food, natural-based products, such as fish and fisheries products, forest and forestry products, leather and leather goods and tropical products. Although tariff escalation has decreased as a result of the Uruguay Round, rising tariffs from raw materials to intermediate products and sometimes peaked for finished industrial products restrict export opportunities and hamper vertical diversification and industrialization in developing countries. In general, the growth of exports of developing countries to industrial countries is inversely related to the degree of tariff protection in the latter.

In the case of a more open international trading environment, we are very concerned about the proliferation of obstacles imposed on exports of developing countries for health, sanitary and safety reasons. This is one of the areas in which many developing countries, require considerable technical, human and financial support in order to be able to meet the legitimate product standards.

We fully recognize that services sector plays an important role to promote economic development of all countries. However, negotiations in this area have tended to focus on sectors of primary interest to developed country Members such as basic telecommunications and financial services at the expense of others, particularly those of primary interest to developing countries.

Indonesia is strongly of the opinion that services negotiation should aim to achieve a fair and balanced package for the entire WTO membership. The negotiations should cover all issues in services sectors with no a priori exclusions. Moreover, as the GATS also recognizes the special status of developing countries *vis-à-vis* the asymmetry that exist in respect of their economic development and their competitiveness as services providers, the negotiations should also provide flexibility for individual developing countries to open fewer sectors and to liberalize less types of transactions, and

to progressively extend market access in line with their development needs. In this case, the full integration of developing countries into the global trade in services requires a genuine effort and more definite programme for capacity building so as to enable them to compete in the even more fierce world market.

Furthermore, Indonesia is strongly of the position that Members shall complete the negotiations on the establishment of rules on Emergency Safeguard Measures in this area, to enable any Member to resort to a safeguard measure should its domestic services industries experience injury. It is also extremely important that the negotiations in services recognizes and provides due credit to autonomous liberalization measures undertaken by Members beyond their commitments.

We believe that we have to pay full attention to increase the role of LDCs into the multilateral trading system should be taken into account. Because WTO, since its inception, has had its programmes to welcome the developed countries to best help the LDCs by providing market access for their products of interest. It is, therefore, obvious that to accelerate their economic integration, we have to fully support the LDCs to build up their capacities so that they can take advantage of market access opportunities. On the other hand, we also support the non-WTO Member countries particularly the least-developed countries in their accession process into the multilateral trading system.

Let me briefly touch upon new issues initiated in Singapore Ministerial Conference, namely Trade and Competition Policy, Transparency in Government Procurement, Trade and Investment, and Trade Facilitation. Generally speaking, Indonesia believes that the discussion on these issues have not yet deeply explored all the consequences and implications of the proposed agreements and therefore are not well accepted by developing Member countries. In order to provide a sufficient degree of comfort for all Members, we should continue examining some key issues of concerns to many developing countries in a more focused manner and should not rush to enter into negotiations.

Before concluding, I would like to take this opportunity to, once again, reiterate the importance of spirit of cooperation among us in order to increase confidence of developing and least-developed country Members that we are all sensitive to their interests, problems and shortcomings. I am convinced that with this spirit, this Conference will have a successful and balanced outcome.

Last but not least, I would like to warmly welcome the People's Republic of China and Chinese Taipei as new Members of this Organization. Indonesia strongly believes that their participation will contribute positively to our effort in achieving a fair and free international trade.
