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BELARUS

Statement Circulated by H.E. Mr. Mikhail A. Marinich,
Minister of Foreign Economic Relations
(As an Observer)

On behalf of the Government of the Republic of Belarus let me first to express the gratitude to the Government of Switzerland as well as to Director-General, Mr. Ruggiero and his staff of the WTO Secretariat, who have made great efforts to prepare for this Conference. Belarusian delegation highly appreciates the opportunity to participate in this international forum.

The Second WTO Ministerial Conference is a historical event. This year the international community celebrates the golden jubilee of the multilateral trade system GATT/WTO. This jubilee opens a new chapter of the history of the World Trade Organization, which has united industrialized, developing, least-developing and transition economies under the common framework of rules.

Conclusion of the General Agreement on Trade and Tariffs marked the dawn of a new era of the world economy. The established multilateral organization has developed gradually into unprecedented in its scale economic system. Joining of new Members in the nearest future will complete the construction of a universal trading system.

I wish to assure that the Belarus' accession to the World Trade Organization is the top priority in our foreign trade policy. We are confident, that our integration into liberalized and open world trade regulated by clear and non-discriminatory norms and principals of this most respected, in our opinion, economic organization, will have the positive impact on economic reform in our country and help us find a way out of continuing crisis, secure dynamic growth and development.

The current speed of economic reform in Belarus can be accounted for by a wide-range of complex interrelated factors. Transition from the centralized economy which existed for decades, to an absolutely new to us market type of economic policy is exacerbated by the absence of either scientifically or practically proven general methods used for management of such a process, to say nothing of those that consider specific features of a given country.

For the period of economic crisis the general domestic product has been reduced by more than 35 per cent. A sharp decrease in investment activity is also an aggravating factor for the transition of our economy: the overall capital investment is now at the level of slightly higher of one third of 1990. The current capital inflow is only used by companies to pay salaries and provide social support.

The process is plagued by various social and demographic problems as well as by the ever-pending burden of the Chernobyl accident rehabilitation programmes. We provided the WTO Secretariat with the document which describes the global character of the damage, inflicted on Belarus by this catastrophe. It contains a clear message that our country is truly a zone of ecological

disaster. The losses our country has suffered are irretrievable and the remediation of the aftermath will take future generations decades. It caused damage evaluated in US\$235 billion for the 30 years from the date of the accident, that constitutes 32 state budgets of Belarus in 1985.

For Belarus, which is situated between the East and the West of Europe, active participation in international trade is the most important and integral condition for the transformation of our economy. Consequently, the eventual transition of Belarus to market economy is directly related to its accession in the World Trade Organization, the establishment of relationships with all interested Members on a stable long-term economic and legal basis.

The policy of integration to the world economy of the Republic of Belarus is based on the assumption that the liberalization of foreign trade regimes is not just a goal. It is a most substantial tool to reach strategic goals of economic development. Principal tasks of a government in the field of foreign trade must be changed as far as the process of transformation to the market economy is being developed. Short-term tasks of economy stabilization related to the necessity to resolve problems at the consumer markets and to increase the income of the State budget in Belarus have been gradually replaced by long-term tasks of structural reforming and stimulation of economic growth. In such terms the support of export is the strategic direction of the governmental policy.

There is a sufficient potential in some export-oriented branches in Belarus. Our State remains constrained by trade barriers of developed countries to realize its full potential. Being not a Member of the WTO, the Republic of Belarus is still classified as non-market economy. So, it falls under specific rules created by the country of import. It mainly relates to the trade of agricultural and food products, chemicals and textiles, which are the most important export items for Belarus.

The world experience proves that the reforming of the foreign trade regime facilitates the development of economy. To reach this goal the Government of the Republic uses the following approach to the foreign trade reforms.

Firstly, to foster the competition and to increase the effectiveness of domestic producers we proceed from the necessity of gradual trade liberalization with selective protection of some branches on the temporary basis.

Secondly, we draw close attention to the influence of trade foreign policy on the budget and economic stabilization. We consider that the countries in transition are to stabilize its economies before to start large-scale trade liberalization.

Thirdly, in pursuit of the effectiveness of the reform it is necessary to transform the institutional instruments in order to create an appropriate legislative framework adequate both to the challenges of market economy and for the integration into the global market.

And the last, it is expected that the National Export programme will provide vast opportunities for the reforming and creation of a market economy.

The terms of Belarus' participation in the WTO must promote the solution of the above-mentioned problems. Economic transformation is as sustained and contradictory as the processes entailing the creation of market economy. So there is no doubt in the existence of the direct linkage between the success of domestic economic reforms and terms of country's participation at the international market.

We also understand that the rate of global economic cooperation within the WTO framework raises additional challenges in the transformation period. Liberalization of foreign trade is one of the

tools for the achievement of the country's economic development, but there is no other alternative for us except the pragmatic approach to the solution of the existing problems in this field.

In the light of the above, I would like again to draw the attention of the WTO Member States to transition economies. Integration of these countries should both finalize the construction of the world trade system and solve a number of their internal specific economic problems. This year the Republic of Belarus will move to another stage of accession to the WTO - the stage of bilateral negotiations on market access in goods and services. So I hope that the dialogue with the WTO Member States will be constructive and mutually beneficial.

In conclusion let me express my gratitude to the Member States of the Working Party on Belarus' accession to the WTO for their support of our efforts during the Second Meeting.

I wish to take this opportunity to congratulate all delegations of the Forum on the occasion of the 50th Anniversary of the establishment of the world multilateral trading system.
