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TURKEY

Statement by H.E. Prof. Dr. Tunca Toskay Minister of State

Please allow me to start with thanking the Secretariat of the World Trade Organization for their devoted time and efforts that made this organization possible.

I would also like to extend my thanks to the Government of the United States for hosting the third Ministerial Conference on the eve of the new multilateral trade negotiations.

At this point, I would like to congratulate Mr. Mike Moore once again for his election as the Director-General of the WTO. I have no doubt that his guidance will give an additional momentum to a more transparent, predictable and rule-based multilateral trading system. We, as the Turkish Government, are ready to extend every assistance that may add to the success of his efforts.

The third Ministerial Conference will have a unique place in the history of the multilateral trading system. The decisions that are going to be taken will help shape the direction of multilateral trade in the new millennium.

In this context, I take pride in stating that Turkey is fully cognizant of its share of responsibility for meeting the challenge of and for constructively contributing to the attainment of our common objective which is strengthening equitable and stable trade relations among nations.

Furthermore, Turkey is a committed supporter of the WTO and what it represents. Turkey is also convinced that a universally agreed upon multilateral trading system should be based on the principles of reciprocity, equity, mutual understanding and non-discrimination.

In the framework of these principles, I would like to touch upon some topics that require special attention, although many of those have already been addressed by Turkey in various capacities.

The WTO consists of developed, developing, the least-developed countries and transition economies. In this context, balanced approaches, observing the interests of all WTO members are to be ensured in every phase. Furthermore, due consideration should be given to the special needs and development requirements of the developing and the least-developed countries, including their difficulties encountered in implementing the Uruguay Round Agreements.

I believe, the Third Ministerial Conference constitutes the best forum to address the specific problems stemming from the implementation of the Uruguay Round Agreements. A forward looking agenda towards further trade liberalization should take due account of the importance of the implementation issues, and these issues should be addressed in a structured manner. While there

remains a varying degree of emphasis placed by Members on implementation issues. We consider this a very welcome development.

Turkey views the implementation issues as of consequential importance and strongly believes that they have to be dealt within a result-oriented, practical approach. For that we believe that just after the Seattle Conference, the implementation issues be taken up in the existing specialized bodies to be directed by the General Council. The specialized bodies and committees can report the results of their work back to the General Council periodically under a given deadline.

As you will recall, the built-in agenda foresees launching of negotiations both on agriculture and services.

The agricultural sector, despite its declining share in the GNP, is still a significant contributory to the Turkish economy, especially in providing 40 per cent of the total employment. In addition, agriculture has a multi-functional character in Turkey as may also be the case in each and every economy.

Turkey has maintained all along that further liberalization in agriculture constitutes one of the most difficult challenges faced by WTO members in the forthcoming negotiations.

Turkey believes that the negotiations on agricultural products should aim at a gradual process in market access opportunities and other related issues, in line with the provisions of Article 20 of the Agreement on Agriculture.

Within this context, Article 20 sets forth clear guidelines for the reform process in a balanced manner and calls for a negotiating approach to duly take into account the experience from implementing the reduction commitments and the effects of these commitments on world trade in agriculture.

We strongly believe that there is a justifiable and legitimate ground for addressing the difficulties faced by developing countries in implementing the Uruguay Round commitments.

In my opinion, we should carefully review the provisions of the Agreement on Agriculture which resulted in imbalances between the developed and the developing countries, and figure out options to off-set them.

It is quite clear from the experience gained from the implementation of the Agreement on Agriculture that there is a need for additional flexibility for developing countries in the areas of market access, export subsidy and domestic support commitments, including an increase in the *de minimis* level and establishing a suitable green-box type criteria for developmental measures.

I hope that both this Conference and upcoming round of multilateral trade negotiations will lay the necessary ground for eliminating the concerns and difficulties of developing countries in the agriculture sector.

In our view, in the forthcoming negotiations, there must be a balance between the long-term objective of substantial progressive liberalization and other concerns, namely non-trade concerns, including the multi-functionality of agriculture.

The General Agreement on Trade in Services (GATS), which is definitely the first multilateral framework establishing the principles, rules and criteria of international trade in services, has been a platform for the participant countries to display their prevailing domestic laws and regulations concerning services and to cooperate with the aim of liberalization that would serve the interests of WTO members specifically and the world economic prosperity in general.

In this regard, during the forthcoming round of GATS negotiations, in addition to preserving the existing architecture of GATS, a comprehensive approach covering a broad ranges of sectors and the four modes of supply will contribute to achieving progressive liberalisation in services trade. An overall balances of rights and obligations among the participant countries with due respect for the concerns of developing countries should be secured, while the members should aim at expanding the sectoral coverage and reducing and/or eliminating existing limitations in their schedules of specific commitments.

The outcomes of the preparatory meetings and the proceeding so far demonstrate that there is a tendency towards including industrial products on the agenda of upcoming negotiations.

The tariff concessions provided by Turkey in compliance with the Uruguay Round commitments, as well as the concessions granted under the ITA Declaration resulted in discernible liberalization of trade in industrial products. The final reductions stage of the Uruguay Round commitments has been put into force as of 1 January 1999. In addition, preferential market access measures for the least-developed countries have been put into effect, covering more than 550 products to be imported to Turkey as duty free.

Moreover, Turkey has gone beyond its Uruguay Round commitments as a result of the Customs Union and adaptation to the external common tariff of the EU in liberalizing imports. As the economic impacts of such undertakings necessitate a reasonable time-period to be properly assessed, I believe that it is still early to assume further liberalization in industrial products.

However, in case of a consensus to the contrary, the negotiations should refer to the consolidated lists and bound rates of the Uruguay Round.

Intellectual property is another area that I would like to say a few words about.

Protection of intellectual property is one of the most important factors in providing favorable and competitive trading conditions among countries.

From this point of view, Turkey is dedicated to the idea of strengthened multilateral disciplines in intellectual property. To that end, we support full implementation of the TRIPS Agreement.

In fact, continuously improving protection of intellectual property in Turkey is proof of the importance attached to properly functioning system in this area.

In the same context, we also support the ongoing negotiations within the TRIPS Council with regard to extending the existing protection of the geographical indications in wine and spirits to other products and, making appropriate arrangements in the multilateral registration system for geographical indications in this direction.

At the same time, one should not neglect the close relationship between biotechnology, biodiversity and intellectual property. In this sense, a special reference to the Convention on Biological Diversity in the TRIPS Agreement is deemed necessary.

I am also of the opinion that the current moratorium relating to the implementation of the non-violation remedy under the TRIPS Agreement should be extended.

Let me briefly touch upon the so-called issues of the Singapore Ministerial Conference.

In recent years, because of the effects of globalization on the world economy, fair competition has become an indispensable determinant in ensuring market efficiency. In dealing with the trade and

competition related issues, Turkey acknowledges that the WTO is the suitable forum to identify the close relationship between the two.

As the ongoing work carried out by the Working Group on Interaction between Trade and Competition has clearly indicated, there is a necessity for ensuring greater coherence among WTO members, since many of the WTO members do not have national competition authorities and necessary legislation. The upcoming multilateral trade negotiations could provide an excellent opportunity to reach a common understanding where administrative and legislative differences of the member countries' implementations are taken into account before outlining a multilateral trade framework.

In full recognition of the significant role of foreign direct investments in ensuring global welfare via transfer of technology, providing employment and production, Turkey believes that a multilateral set of rules to be elaborated within the framework of the WTO is of utmost importance.

Therefore, we should support initiatives proposing to include the topic of investments on the agenda of the upcoming multilateral trade negotiations with a view to reach a set of rules while taking into account the common features of bilateral investment agreements.

On the other hand, based on its own experience, with respect to an eventual multilateral agreement on investment, Turkey would like to underline that rights and obligations of the investors and the host countries should be balanced and host country's right to regulate its economic policy with certain flexibility should also be considered in the negotiations leading to a multilateral investment agreement at the WTO.

As for the trade facilitation, Turkey is ready to become a party to a multilateral set of rules where the scope, rules and disciplines are set forth before initiating negotiations. The outcome of such an arrangement should duly respect the limited technical and legal as well as financial capabilities of developing and the least-developed countries and ensure necessary support in this regard.

In line with its mandate, the WTO Working Group on Transparency in Government Procurement has been conducting studies for more than two years to establish the grounds for a possible multilateral agreement in this field.

Turkey is of the view that the Working Group on Transparency in Government Procurement should continue its work since some issues require further elaboration. Turkey believes the result of the study conducted by the Working Group is not mature enough to be endorsed on this occasion. To that end, our proposal will be to mandate the Working Group to make a final report, covering every aspect of the subject-matter, to the Fourth Ministerial Conference.

Electronic commerce has changed the way trade is conducted around the world by removing limitations of time and space as well as transcending all traditional boundaries.

However, existing imbalances between the developed and developing countries with regard to technical and educational infrastructure pose one of the most striking problems in making full use of the opportunities provided by it.

Therefore, developing and the least-developed countries need technical and financial assistance in overcoming their constraints stemming from lack of adequate resources.

On the other hand, the pace of technological developments, limiting our ability to read the future, makes me think that it is still early to bind ourselves to duty free treatment on electronic transmissions permanently. I think that the current practice of not imposing customs duty on

electronic transmissions should only be extended until the Fourth Ministerial Conference for further consideration. Within this context, we support the establishment of a horizontal non-negotiating group by the General Council to continue to study trade-related issues on electronic commerce. Further decisions regarding related issues with respect to electronic commerce should be based on the progress report of the General Council to be submitted to the Fourth Ministerial Conference.

The Information Technology Agreement has been one of the most successful sectoral achievements recorded to date.

Although assessing the results is not easy at the moment, I have a positive feeling about the repercussions of Information Technology Agreement in the years to come.

With this in mind, Turkey gives full support to the ITA II process which envisages to enlarge the product coverage of the current ITA Declaration.

The long lasting work of the Committee on Trade and Environment has proved that trade and environment is one of the most controversial issues between the developed and developing countries.

The trade measures applied for environmental concerns may have a dual character which result in obstacles to the market access opportunities. We support initiatives aiming prevention of market access restraints for environmental purposes and ensuring predictable, applicable and internationally acceptable criteria.

As you will recall, WTO members renewed their commitment to the observance of internationally recognized core labor standards and affirmed that the International Labor Organization (ILO) is the competent body to set and deal with these standards in the Singapore Ministerial Declaration.

To that end, we should reconfirm what we have declared a few years ago and still recognize the ILO as the competent body while supporting close cooperation between this organization and the WTO.

Let me express the points of view of Turkey in some organizational matters of the next round.

The built-in-agenda foresees the launching of negotiations only on agriculture and services. However, there is a tendency among some WTO members towards adoption of a comprehensive agenda, to be concluded in three years.

In principle, Turkey supports comprehensive negotiations through a balanced and broad-based agenda.

While favoring a comprehensive and broad-based agenda for the forthcoming negotiations, Turkey is also of the view that the concern and precaution that have been raised by several WTO members with respect to the need for adhering just to a built-in-agenda merit due consideration.

There is a widely held conviction especially on the part of many developing countries that not enough time has elapsed in coming to terms with the far-reaching obligations of the Uruguay Round commitments. On the basis of this, many members questioned the wisdom of undertaking undue additional commitments which they can not simply meet.

This point of view deserves due recognition because, firstly, the implementation issues together with the issues of agriculture were probably the most heatedly discussed subject at the WTO in meetings preceding the Seattle Conference. It seems to us that a number of member countries have not been able to fulfill even their most fundamental WTO obligation, that is, notification requirements

resulting from the Uruguay Round Agreements. Secondly, there are a great number of outstanding implementation issues which obviously constitute a source of dissatisfaction and concern to many developing countries.

In view of the above considerations, it follows that a cautious approach not to rush in engaging ourselves to further negotiations in new subjects beyond the scope of the Built-in Agenda does deserve a serious consideration.

In addition, I am in the view that negotiations should result in a single undertaking. Individual agreements should not be adopted for implementation until all agreements are ratified under a single undertaking.

The dispute settlement mechanism of the WTO is one of the central pillars of the multilateral trading system. It makes the trading system more secure and predictable.

However, Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) is in need of revision with a view to enable developing countries to effectively participate in the system. In fact, the existing system does not take into account the problems with regard to financial and human resources of developing countries.

In this respect, the opportunity for providing legal assistance to the developing countries should be improved.

Moreover, the DSU provides for co-complainant status, but not for a co-defendant status. New provisions in the DSU are needed so that a co-defendant status should be provided to the members of a customs union to fully participate in the panel proceedings related to a dispute in connection with a common trade policy of that agreement. It is obvious that DSB recommendations taken against a member of the customs union may need joint action by all members of the Union to put into effect. It is therefore essential to secure the opportunity for co-defense of all members of a customs union. This is necessary not only from the point of view of facilitating the implementation of DSB recommendations but it would also be a more equitable approach.

Lastly, it is the view of Turkey that the existing inconsistency between the provisions of Article 21 and Article 22 of DSU be amended so that Article 22 procedures can only take place after there has been a determination under Article 21.5 of non-compliance with the recommendations of the Appellate Body and the Panel rulings. In other words, it should be clarified that Article 22 procedures can be invoked only after the conditions of 21.5 are met. Therefore it is important that inconsistent and conflicting language contained in Article 22 with respect to Article 21 be deleted. This is crucially important from the point of view of the credibility and predictability of the Dispute Settlement System.

The problem of inconsistency between the provisions of Article 21 and 22 became more pronounced in the dispute related to the implementation of the Appellate Body and the Panel rulings with respect to the banana case.

The concerns that I have just touched upon are the main reason for our support for the completion of the review of the DSU in order to ensure the taking of a decision at Seattle to make appropriate modifications to the DSU.

Turkey supports all applicant countries on their way to WTO membership. I believe that expansion in the number of WTO members will further strengthen the universality of the WTO.

However, the current accession process for developing and the least-developed countries is too long and too demanding. Therefore, I believe the accession mechanism should be improved with a view to expedite the related procedural matters.

I would like to conclude my words by reiterating my conviction that this Conference will mark an important step in strengthening our pledges towards the establishment of cohesion and prosperity in the world.
