

WORLD TRADE ORGANIZATION

WT/MIN(01)/ST/101
12 November 2001

(01-5687)

MINISTERIAL CONFERENCE
Fourth Session
Doha, 9 - 13 November 2001

Original: English

ISRAEL

Statement by H.E. Mr Roni Milo
Minister for Regional Cooperation

On behalf of the Government of the State of Israel, I would like to thank the State of Qatar for the hospitality it has extended us. I would also like to express our appreciation to Director-General Moore and to WTO Secretariat who have worked so hard to organize this meeting.

Special thanks are due to the Chairman of the General Council, Mr Stuart Harbinson, for the hard work and the transparent manner used in building the Ministerial Declaration under discussion here in Doha today.

At a time when the global economy is slowing and international markets are fragile, our Ministerial Declaration can send a message of global unity, of countries united in the conviction that expanding international trade enhances economic development for the benefit of all Members. The launch of a new round of negotiations, continues to have Israel's full support. At this juncture, we are convinced that it would make a significant contribution to bolstering confidence in the multilateral trading systems, and serve as an important stimulus for economic growth, prosperity and employment. Israel has been flexible on the issues to be included in this round, while stressing the importance of a balanced package to ensure that all Members can gain.

In this context, we should continue to focus on the objective of facilitating the economic development in developing countries and addressing their specific needs.

It is particularly important that, in order to maintain efficiency and credibility, the WTO will continue to focus on its mandate – namely the operation of a rule-based, non-discriminatory world trading system, through decision-making by consensus.

As a small country, with few natural resources, Israel is highly dependent on foreign trade, which represent 80 per cent of our GDP. For us, therefore, the expansion of international trade is a top priority.

During the last decade, Israel implemented far-reaching reforms aimed at creating a more efficient and outward looking economy, including a programme of unilateral trade liberalization, complemented by further liberalization through bilateral free-trade agreements and membership in the WTO. We have reduced tariff duties substantially beyond our commitments and obligations within the framework of the Uruguay Round.

We have also liberalized trade in agricultural products beyond the obligations undertaken in the Uruguay Round Agreement.

With a view to improving market access, we have supported multilateral negotiations for further liberalization in both industrial and agricultural products, taking into account the special needs of each country. In this context, we expect that Israel will not be penalized and that its unilateral liberalization be duly recognized as an integral part of the negotiations.

With regard to agriculture, Israel recognizes the long-term objective to establish a market-oriented trading system through reform in order to prevent distortions in world agriculture markets. Israel would like to reiterate its commitments to this reform, while emphasizing the uniqueness of the agricultural sector and its significant role in the country's daily life, economy and culture. Therefore, non-trade concerns are an essential element of this unique sector and must be an integral part of any future agreement on agriculture.

For Israel, exposure to foreign competition through bilateral agreements has paved the way to greater liberalization *vis-à-vis* other WTO Member countries. As a small country, free-trade agreements have been a means to greater integration and we believe, a complementary tool to the multilateral trading system.

Israel is taking an active part in the services negotiations, and is ready to take on substantial commitments, subject to reciprocal commitments on the part of its trading partners. It will be recalled that we took an active part in the negotiations on basic telecommunications and financial services. Our commitments in these areas reflect an open and liberal policy, and a willingness to achieve even greater liberalization.

As regards the Singapore issues, it is our conviction that all Member countries stand to gain from the expansion of transparency in government procurement. Trade facilitation plays an important role in easing market access, by cutting red tape and lowering costs of moving goods across borders. For these two issues, we think it is important to start negotiations.

Israel's investment regime is open, stable and liberal, and has in recent years served as an engine for economic growth and international economic cooperation.

We recognize the growing importance of the link between investment and trade in the international economy.

Regarding competition, it would be beneficial for WTO Members to implement domestic competition principles in parallel to trade liberalization. Therefore, while we have not been 'demandeurs' for the start of negotiations on investment and competition, we will participate in any format around which consensus is reached.

Environmental protection has been and will continue to be a top priority to Israel. Therefore, Israel can support some of the initiatives being proposed in the WTO, such as further work on the relationship between WTO rules and multilateral environmental agreements. At the same time, we are concerned that measures taken not be used as unjustified non-trade barriers.

While fully committed to the TRIPS Agreement, we recognize the flexibility built in to the Agreement for every Member to deal with public health issues.

Israel welcomes the accession of new countries to the WTO, and their integration into the multilateral trading system, based on commitments to respect fundamental WTO rules regarding non-discrimination, market access and transparency. In this context, we especially welcome the accession of China and Taiwan.

At this critical crossroads, Israel remains committed to open markets, to an outward looking economy and to the strong, rule-based multilateral trading system of the WTO.

Finally, as Minister for Regional Cooperation, I would like to stress Israel's perception that the promotion of joint projects and consolidation of economic ties is important to build confidence and contribute to the attainment of peace in the world and in our region in particular. We strongly believe that joint projects are useful tools to bring nations closer. Prosperity can flourish only in an atmosphere of peace and security.

Increasing the trade between the States and peoples of our region will lead us to a situation of stronger economies, will create better interaction between the communities and will strengthen, at the end of the day, the peace process. Israel actively promotes joint projects in key areas of concern to all sides in the region. We hope to establish, in the near future, more free-trade zones and industrial parks with our neighbours.

In particular, we are working to further infrastructure projects with our neighbours. We must work together in planning efficient transportation infrastructure to serve domestic traffic and facilitate trade. Similarly, we must generate a proactive partnership to address environmental problems in order to consolidate sustainable growth.

We cannot wait for the completion of political agreements and defer these projects which are so crucial to the countries and peoples of the region. On the contrary, furthering these projects will help build confidence in the peace process.

We can only hope that economic cooperation will also be a catalyst for the long-awaited political peace for which we all hope and pray.

It is an honour for me to be the speaker before my neighbour, the distinguished Minister of Industry and Trade of the Hashemite Kingdom of Jordan, and I would like to take this opportunity to congratulate him on his new appointment.
