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PHILIPPINES

Statement by the Honourable Mael Roxas II Secretary of Trade and Industry

We are gathered at a moment of historic opportunity. We are convened to consider whether we shall launch a so-called 'Development Round' of negotiations and if so, what principles and parameters will guide us as we negotiate the specifics of this new round.

Proponents again remind us of the benefits that will accrue developing countries if we agree to the issues which make up this new round. Proponents cite the benefits from increased trade; for them, this certainly has been their experience. Ours is different.

While the Philippines subscribes to the theory that liberalized trade has the potential of benefiting those engaged in it, our experience since our implementation of the Uruguay Round Agreements shows that there is a wide gap between the promise and reality.

We envisioned then that opening up our markets would spur our own industries to become more efficient and competitive. What ensued however, was much dislocation and businesses closed down.

We envisioned then that market access granted by developed countries would lead to our increased share of world export trade. What ensued however was stagnant growth marked by access to products of marginal export interest to us.

We envisioned then that freer trade would bring in cheaper imported products, thereby resulting in increased consumer welfare. What ensued however, was a populace dependent on imported goods. Indeed, dependence on essential imported goods – such as medicines – that are not only unaffordable for the ordinary consumer, but oftentimes unobtainable too.

We envisioned then that developing countries are better off operating under a comprehensive, and multilateral set of rules rather than under a system where only the powerful decide what the rules are to be. What ensued however was the realization that rights of relevance to developing countries could not be operationalized.

Add to all these, we are hard-pressed by current world economic conditions, the details of which we all already know. Midstream in our restructuring process in the aftermath of the financial crisis, we were caught by these intervening events, leaving us with scarce funds to ease the friction. Thus, presently, we find ourselves in a decidedly hostile environment.

Notwithstanding these trying conditions, the Philippines recognizes the need for a bold and pro-active response. This bold response may indeed lie in the launch of a round – a 'Development Round,' not just a round *per se*.

However, we should not rush into a round for the sake of merely launching one, that is, solely for the purpose of confidence-building. We should be mindful that we can only succeed if we are all

on board. Though we must sustain confidence in the multilateral trading system through a new trade round that opens up opportunities for developed and developing countries alike, the agenda should be broad enough to contain elements beneficial to all WTO Members, but not so broad as to entail commitments which will be too burdensome for developing countries to implement, even while they are continuing to struggle in implementing commitments agreed to during the Uruguay Round.

To ensure that the WTO does not lose credibility at this crucial point in time, our top priority is to ensure that the Doha Round is truly a 'Development Round.' This is our challenge even as we are all pulled in all different directions.

While the preamble in the draft Declaration provides ingredients for a 'Development Round' this must be actualized in the substance of the work programme itself. The nice words and aspirational notions must permeate the provisions contained therein, and not be stand-alone, isolated portions disconnected from the specifics.

By a 'Development Round' we mean, negotiations which provide sufficient safety nets for developing countries. Mechanisms that will help in strengthening production capability, efficiency and product competitiveness must be provided and operationalized. Developed trading partners, together with the WTO and other international institutions, must work together, so as to ensure that this round allows businesses in developing countries to compete rather than be obsolete. Greater coherence and convergence of policies among international development institutions such as the World Bank, the IMF and the WTO is necessary in order that trade is mainstreamed in the development agenda and therefore, capacity building can be focused and targeted.

In agriculture, this means firm recognition of the objective of taking the reform process to its logical conclusion, that is, the full integration of agriculture into the WTO framework. All forms of export subsidies must be expeditiously eliminated. Not only trade-distorting, but production-distorting domestic support must be substantially reduced, with a view to phasing these out in the shortest possible time. Furthermore, it should be clearly borne in mind by all Members that special and differential treatment is a principle to be applied for the benefit of developing countries, rather than appropriated for their own benefit by some developed countries in the guise of colour-coded boxes.

By a 'Development Round' we mean, negotiations that open up markets in developed countries for products of relevance to us. Moreover, in negotiations on market access for non-agricultural products, this means addressing tariff peaks and escalations and non-tariff barriers which impede effective access of importance to developing countries.

By a 'Development Round' we mean, a clear recognition of the importance of public health concerns and the need to clarify certain provisions of the TRIPS Agreement in a manner that would ensure that Members have the utmost flexibility in adopting measures to protect public health. Opportunities to leave truly meaningful legacies for the marginalized, such as the proposed declaration on TRIPS and Public Health, are too few and far between. We, in this conference, should not lose our chance.

By a 'Development Round' we mean, full exercise of the right to compete against developed, importing markets' own as well as other Members' products on fair, if not equal terms. Where the implementation of multilateral trade rules and modalities are proved or are perceived to affect developing countries in a manner inconsistent with their overall trade and economic development needs, special and differential treatment must be operationalized or otherwise made available to developing countries.

For the Philippines these, among others, are the components necessary for the launch of a 'Development Round.'
