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SAUDI ARABIA

Statement Circulated by H.E. Mr. Osama J. Faqeeh,
Minister of Commerce
(As An Observer)

It is a singular honour for me to represent the Kingdom of Saudi Arabia at this Second Ministerial Conference of the World Trade Organization.

My delegation and I are delighted to participate in this Conference. This Ministerial Conference has a special importance as it is taking place on the eve of the 50th Anniversary of the multilateral trading system. Quite befitting the occasion, the 50th Anniversary Commemoration is being graced by the presence of some distinguished Heads of State and Government from Member countries.

The multilateral trading system has provided the framework for the conduct of world trade and has made an outstanding contribution to the liberalization and expansion of international trade over the past 50 years. The system has evolved over the past half-century and is now enshrined in the WTO Agreement and its rules. The multilateral trading system is also becoming more universal: there were only 23 countries, which joined the GATT in 1948, whereas WTO now has a membership of more than 130. Many other countries subscribe to the principles and rules of the system and are in the process of becoming members of the WTO. The Kingdom of Saudi Arabia is one of those countries.

The 50th Anniversary is a time to pay tribute to the achievements of the multilateral trading system. It should also be an occasion for reflection and consideration on why some of the objectives laid down 50 years ago have not been fully achieved. Whereas liberalization and expansion of world trade has contributed to the growth of world economy, the gains have been uneven for different regions and countries. Developing countries still account for a low share in international trade. The laudable objective of raising standards of living worldwide set 50 years ago, remains unfulfilled for a vast majority of mankind. Further, the pursuit of unhampered liberalization and globalization may have been a factor towards financial and economic crises in some countries.

It is a unique opportunity for this Ministerial Conference to reflect on how to redress the imbalances between countries at different levels of development and how to spread the globalization and liberalization benefits more equitably across the globe. The recently held G-15 Summit in Cairo has articulated the views of many developing countries in calling for the adoption of a more measured approach to liberalization.

The Kingdom of Saudi Arabia has always been a strong believer in the principles of the multilateral trading system. We have widespread trading and economic interests and have an outstanding record of international economic cooperation. The Kingdom is one of the largest market-based economies

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outside the WTO. Saudi Arabia is one of the leading importers and exporters of goods and services. The economy of the Kingdom has always been open and liberal and our trade regime is compatible to a large extent with the rules of the multilateral trading system. The Kingdom is thus a natural candidate for membership of the World Trade Organization.

We are already well into the process of accession. I had said at the Singapore Ministerial Conference and I repeat: "We believe it to be in the interest of WTO Members to facilitate Saudi Arabia's accession to the WTO, as our accession will give our WTO partners the security and predictability of market access based on the international treaty rights they will acquire". We are doing our best to accelerate the accession process by making commercially meaningful market access offers on goods and services.

However, let me sincerely say that we are facing quite unexpected and numerous demands from some Member countries. We are being asked to make commitments far in excess of those made by countries at a similar or even higher level of economic development. Some WTO Members have requested us to join certain plurilateral agreements and to accept many sectoral initiatives, which we had always understood to be optional and not mandatory. These initiatives were sponsored by some developed countries and have been accepted by relatively few WTO Members. It will be noted that it took developed countries almost 50 years to reach a stage where they could adopt such initiatives and make the current level of commitments. In all fairness, they should not expect countries at a much lower stage of development to embrace these initiatives and to make the same level of commitments.

This Conference has the responsibility to guard against the apparent tendency of moving the WTO in a direction, which may result in different levels of obligations and commitments for countries in a similar situation. It should be our endeavour to ensure that acceding countries get fair and suitable conditions and are not burdened with commitments which could be onerous for them to cope with.

The WTO is a relatively new organization. It needs to be nurtured with care. It is important not to overburden its agenda, and we should not be overly ambitious about the scope of its competence and future direction. Let it first consolidate the tremendous gains achieved in the Uruguay Round. Let it become truly universal by facilitating the expeditious accession of new members. Let us proceed on the time-tested basis of adding new items to its future agenda on the basis of real consensus among its Members. And let us try to ensure a just and balanced trading system which takes into account the particular situation and legitimate needs of developing and least-developed countries.

The Kingdom of Saudi Arabia strongly supports the objectives of the WTO, shares the aspirations of its Members and looks forward to the day when it will become an active Member of the WTO and join other Members in their endeavours to strengthen the multilateral trading system.
