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ESTONIA

Statement Circulated by Mr. Toomas Hendrik Ilves
Minister for Foreign Affairs
(As An Observer)

In its 50 years the multilateral trading system has justified its role as the most effective tool of liberalizing world trade and indeed the entirety of economic development. The World Trade Organization has also found its well-deserved place in institutional frameworks along with its Bretton-Woods' brethren. The effectiveness of this rule-based regulatory system has been well-proven by its Members who have committed themselves to the implementation of the WTO Agreements.

In the years to come the Organization seems to face two major challenges: first, it must regulate mutual trading relations in a number of new areas and ensure the effective implementation of already agreed upon principles, secondly the Organization must strive for maximum compliance with its disciplines. The wider the acceptance of trading rules the stronger the Organization. In addition to its existing Members there are still more than 30 governments that currently are observing the process while simultaneously preparing themselves for full membership. These countries provide clear evidence of the room for development. Unless all those who have expressed their wish to follow the WTO Code of Conduct have not been incorporated, the word "World" in its name remains a promissory note. Geographical expansion of the Organization is thus equally important to internal strengthening and benefits both the Members and would-be members.

Estonia shares the statement made to this end in the quadrilateral meeting earlier this month and values highly the commitment of WTO to become truly global. As trade is increasingly important for every nation in the world the needless prolongation of the accession negotiations may jeopardize economic development not only in the countries in accession but also the world economy in a wider context, and thus runs counter to the principles and goals as well as the spirit of WTO.

For Estonia foreign trade is of major significance. Although being a market of only 1.5 million but enjoying a foreign trade/GDP ratio of approximately 1.6 we can consider ourselves a big trading nation. Some 10 per cent of the workforce earns its living from the chain of transit trade and exports of goods and services. We can even say that the lion's share of the 10 per cent economic growth last year is attributable to increased trade flows. Hence the importance of WTO membership for my country and the high priority of achieving this in its foreign policy as a whole.

Estonia has been in the accession process since 1994 and we have made considerable efforts to provide commercially justified terms for our partners. Preparation for the WTO membership has not been an easy task given the parallel job of cleaning up the legacy of a command economy and ensuring a sustained growth of the economy in general. We have made a clear commitment to the

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principles and values that have been and are being established and followed by the 132 Members of the club. Furthermore, going beyond the results of the Uruguay Round Estonia welcomes new initiatives for the further liberalization of trade. Becoming a participant of the Information Technology Agreement provided us an opportunity to prove that. We are also supportive to the ideas that there is enough room for WTO to tackle the challenges posed to nations by a number of new areas importance of which in international economy has increased considerably in the last decade. Estonia considers it important that work will also be continued to ensure successful implementation of trade liberalization in somewhat conventional areas.

Estonia has reached the final phase of the accession process and we welcome quick solutions needed for the successful conclusion of the negotiations currently dependent on the ability to find compromises in the multilateral framework. Let me assure you that Estonia is ready to be a positive example that the complexity of the post-Uruguay Round trading rules is not an obstacle for this Organization to become truly global.
