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NEW ZEALAND

Statement by the Honourable Lockwood Smith Minister for International Trade

Colleagues, I'll be brief.

It was New Zealand's privilege to Chair APEC this year.

The Leaders of economies with more than half our world's trade laid down a challenge to the World Trade Organization to launch a New Round.

A Round to be negotiated within three years.

In addition to the mandated negotiations on agriculture and services, the Auckland Challenge called for a comprehensive industrials negotiation.

The Auckland Challenge called for early momentum through the Accelerated Tariff Liberalization initiative – complete liberalization in sectors representing almost half an entire industrials negotiation.

Our children will judge us harshly if we don't take up that challenge.

APEC is a diverse family.

We include economies large and small like China and New Zealand, developed and developing like Japan and Papua New Guinea.

And so we know that the needs of developing economies must be addressed.

And that's what partly drove the APEC Leaders to call, with unanimous voice, for the elimination of agricultural export subsidies – a call more recently echoed by Ministers of the Free Trade Agreement of the Americas and the G-77, together representing more than three-quarters of global trade.

Export subsidies are not only irrational because of the way they lead to distortions in investment and destroy jobs in the economies that use them, but they are also morally repugnant because of the damage they do to developing countries during a vital phase of their development – as they seek to build their trade in agriculture – often an area of early comparative advantage.

And so, as we enter this new millennium, this Conference must agree to the progressive elimination of export subsidies.

How can we take this Organization into the new millennium, mousing concern about labour standards and the environment, yet supporting subsidies that destroy our limited fish resources, or subsidies that stop developing economies building their trade, lifting their people out of poverty and raising their standards in the workplace.

I urge you to think about that.

I know many Members have also raised concerns about implementation and new issues.

We must work on these issues intelligently – find consensus on how best to take them forward.

Colleagues, we cannot fail.

Just 18 months ago, the Asian Economic and Financial Crisis gripped our minds. We watched with astonishment as the contagion spread – first within the immediate region, but then far beyond.

Thanks to decisive policy measures, economic reforms, resistance to protectionism and a robust US market, the damage was contained.

As we move into the negotiations this week, let's not forget those important lessons.

This rapidly globalizing world won't wait for our political procrastination.

The costs of failure are too high to contemplate.

It now remains only for me to say goodbye.

Last week's election in New Zealand produced a change of Government after nine years.

To our Chair, Ambassador Barshefsky and my many friends in APEC, the OECD and the WTO – it's been a great privilege working with you.

Let's make this world a better place.

Let's launch this New Round.

It's in our hands to do it.
