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JAPAN

Statement Circulated by H.E. Mr. Takashi Fukaya, Minister of International Trade and Industry

1. On behalf of the Japanese Government and my delegation, I wish to extend our sincerest appreciation to the fellow Ministers and the WTO Secretariat, who have worked very hard toward the launching of a new round of multilateral trade negotiations since the Geneva Ministerial Conference in 1998. Our appreciation is also due to the Government of the United States for hosting this very important meeting. Allow me further to express our heartfelt gratitude to the City of Seattle, members of the Seattle Host Committee and all other individuals who have been involved in the preparation of this Ministerial Conference for their exemplary hospitality shown to us.
2. The multilateral trading system, based on the free trade principles of the GATT and the WTO, has significantly contributed to the global economic growth since the end of World War II. We have seen an unprecedented expansion of world trade as a result of the eight rounds of trade liberalization talks in the past. Many countries, including our own, were able to take off in economic terms thanks to trade. However, history also teaches us that the world's trading system has fluctuated between liberalization and protection. A liberal trade regime is not something that can be taken for granted like the air we breathe. In order for the world economy to grow steadily through trade, it is indispensable to guard against protectionism and expand the rule of law in trade. The WTO, which is in the centre of the world trade order, can never be complacent. It will have to review constantly the rules being applied, as well as the scope of its activities.
3. Here in Seattle, we are making a momentous step toward the construction of a new world trade order in which we will be living in the next millennium. I cannot overemphasize the importance of successfully launching the new round so as to enable the WTO achieve its historic mission. I would like to stress the following four points as the key conditions for the success of this Ministerial Conference.
4. First, in order to launch the round smoothly and successfully, its anticipated benefits must be balanced among all the participants. If the benefits are seen to be enjoyed only by a limited number of Members, the round will become a non-starter. Therefore, it is indispensable for us at this Ministerial Conference to agree on a broad-based, well-balanced, comprehensive agenda.
5. Second, in order to deal with emerging issues, the agenda of the new round must encompass the rules area in addition to the comprehensive market access package covering agriculture, services and industrial tariffs. Among the rules area a particular attention should be paid to the issue of anti-dumping. Recourse to anti-dumping measures is proliferating throughout the world at an alarming pace. If left unchecked, this trend could frustrate the benefits of tariff reduction achieved in the previous rounds. Accordingly, it is our urgent task to strengthen the disciplines in the Anti-Dumping Agreement and to prevent protectionist abuse of the mechanism. Another area that deserves our attention is investment. In recent years, we have witnessed a dramatic expansion of

foreign direct investment. If we can establish in the round a set of investment rules with particular emphasis on transparency, it will contribute to the facilitation of investment inflows to developing countries, since the rules will create a stable investment environment.

6. Third, the WTO must be able to deal with new challenges of the 21st century - such as globalization and technological innovation - in the most appropriate manner. From this perspective, it is important to review the existing Agreement on Technical Barriers to Trade so that international standards can be made more transparent and acceptable to all Members. It is equally important to address emerging issues in electronic commerce through the establishment of a new working group within the WTO.

7. Fourth, due attention must be paid in the new round to the challenges and difficulties faced by developing countries, which make up the bulk of the WTO membership. They must be able to seize this opportunity for further growth. For instance, we must respond to the concerns of developing countries adequately by addressing the issue of implementation of the existing agreements, where it is causing excessive burdens on them. We must also engage in comprehensive and ambitious negotiations on industrial tariffs since this is the area that contributes most to the growth of developing countries. Abuse of anti-dumping measures should be addressed in this context, too, because it frustrates the effect of tariff reductions.

8. The issues I outlined above are only part of the challenges facing us in the new round. However, the bottomline is that we find our common interest in the further development of the WTO system. In other words, it is good for every one of us to see the WTO gain more confidence from its Members, including their own citizens; its rules more refined and made more predictable; disputes being prevented or settled in the fairest possible manner. The new round is the greatest opportunity for us to develop a better WTO system, building upon our past success. To this end, let us move ahead boldly in a spirit of mutual accommodation and goodwill so that the WTO after the round can be a more viable and durable institution.
