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REPUBLIC OF THE FIJI ISLANDS

Statement by the Honourable Mahendra Chaudhry Prime Minister

Thank you very much for your Government's gracious offer to host this important conference. We thank you also for the warm hospitality extended to all of us.

We wish also to congratulate Mr. Mike Moore on his appointment as Director-General of the World Trade Organization (WTO). He hails from New Zealand a close neighbour and we wish him well in his challenging position.

The new round

The greatest challenge of the 21st Century will, no doubt, be the alleviation of poverty in the third world countries. Any new global trading arrangement must, therefore, fully reflect this growing concern shared, I believe, by all WTO Member states. The new round must identify and redress the weaknesses and inequities of the Uruguay Round.

The questions that need to be truly answered are: Has the global community indeed benefited from increased world trade? Have the benefits been equitably shared by all? Has it brought prosperity to all? Has it begun to address the scourge of widespread poverty? What promise does it hold to defend the special and unique interests of vulnerable and small economies like that of my own country?

For us, the answers to these questions are evident in the Uruguay Round experience of my country. We are finding it increasingly frustrating, despite assurances to the contrary, that trade barriers are still being placed in the way of some of our major exports.

Remove double standards

These discriminatory trade barriers must be removed. It might have been acceptable if these barriers were applied on a consistent basis. But that is not the case! We believe that in some circumstances, Sanitary and Phyto-Sanitary Standard (SPS) are being used as a protectionist tool when it comes to the export of some of our tropical agricultural products. Furthermore, we still face high barriers in developed countries for textiles and clothing, and for vegetables, fish and processed food.

As a result, the promise of increased wealth and prosperity that the Uruguay Round was to have brought to our people has not materialized. There is a hollowness, therefore, in the gospel of trade liberalization. It looks good on paper but in reality it has not materialized for developing countries.

The 1999 Trade and Development Report of UNCTAD has this to say on the outcome of the Uruguay Round.

"The predicted gains to developing countries from the Uruguay Rounds have proved to be exaggerated... Income and welfare gap between and within countries have further widened. As the 20th Century comes to an end, the world economy is deeply divided and unstable... Asymmetries and biases in the global system against the poor and underprivileged remained unchecked".

Free trade is good - fair trade is better

Having said as much, let me say that we support free and fair trade. However, our difficulty lies in the pace and rigidity with which its disciplines are being implemented, without due regard to the special difficulties we face on a daily basis, some of which are beyond human control. We believe that these factors demand special and differential considerations from the WTO membership and the developed world.

This situation must be rectified by the decisions we are to take in this conference if our confidence is to be restored in a rules-based trading system. This to some extent explains the many proposals from countries of the South that want to first deal with the unfinished business under the Uruguay Round before we begin to talk about the opening of new markets and other related issues.

Equity in global trading systems

In September this year, when addressing the 54st Session of the UN General Assembly, I made a plea for equity in the global trading system. I wish to reiterate what I said then in this forum:

"Globalisation...must be accompanied by a strong and genuine international commitment, especially by those economies that dominate world trade, international finance, technology and industrial production, to consider special arrangements for developing economies. The specific aim must be to create new opportunities for developing countries to earn higher incomes through their own efforts as participants in the global trading system".

Small developing economies urgently need the assistance of dominant world trade powers and international finance institutions to enable them to benefit from trade liberalization and address their socio-economic problems from poverty alleviation to the debt-relief.

Specific areas of concern

Let me now refer to some of the specific areas and instruments of the WTO that may need to be reviewed to address the concerns I have just identified.

Agreement on Agriculture (AoA)

Agriculture will remain the key activity to ensure sustainable socio-economic development in small developing economies like ours. It is imperative therefore for this sector to be given the necessary assistance and its multifunctional role duly recognized and given concrete expression in any future WTO agreement. It would be catastrophic to simply consider agriculture in the context of trade liberalization. Its contribution to poverty alleviation, raising living standards in rural areas, guarantee of employment and preserving environment should be fully taken into account in our deliberations on this vital subject. This is of great importance and relevance to our fragile economies, which are small and vulnerable and prone to natural disasters.

My delegation would therefore not support any further commitments to reduce protection measures without any commitment from the developed world for an effective mechanism that would deliver on the expected benefits under Article 15 dealing with special and differential treatment. I note from the various proposals that have been submitted to the General Council in Geneva, in the lead up to Seattle, that many countries from the developing world support this view.

Agreement on Sanitary and Phyto-Sanitary Measures (SPS)

The concerns of my delegation under this agreement are similar to those being expressed by other developing countries. First, the implementation issues. The SPS Agreement encourages members to enter into multilateral arrangements but so far developing countries have been left out in the process.

Under Article 4, the agreement encourages equivalency, but in practice it has been invariably interpreted to mean sameness. This must be clarified so that developing countries can enter into equivalency agreements that allow our products access into the markets of the developed world.

My delegation feels that the provisions of Article 10(1) relating to special and differential treatment for developing countries should be made mandatory and an effective mechanism put in place to operationalize these commitments.

General Agreement on Trade in Service (GATS)

On trade in services, Fiji being a small player in world trade in services, my delegation recognizes that there is potential for greater economic growth in opening up our services sector.

However, my delegation strongly feels that developing countries in similar situations should be given appropriate and meaningful assistance over a period of time. We should not be compelled by the WTO to immediately open up our services sectors all at once.

We are working towards further liberalizing our services sector by actively identifying those areas that can be liberalized in appropriate timeframes. To us, this consultation process is very important because without it, the aspirations and objects of liberalization may not be meaningful nor properly delivered to the people of Fiji.

New emerging issues

Before concluding, let me make a brief mention of the new issues that have been proposed for the upcoming negotiations. These include, to mention a few, the issues of environment, labour standards, investment and competition, transparency in government procurement, and trade facilitation.

Whilst the agenda of the new round of negotiations has yet to be finalized, we feel that its expansion will impose difficulties on developing states like Fiji. It will not only burden us with enormous pressure for additional resources, but more importantly, impede the implementation of our current obligations, which are already lagging behind in some areas.

In saying this, we are in no way diminishing the importance of these new issues in international trade. But more so, we request that genuinely important issues be first prioritized for implementation. And this process should include technical assistance to developing countries for capacity building and institutional strengthening.

Before I conclude, allow me to briefly note the pace and rigidity with which small least developing countries are being treated in their WTO accession process. We recognize in particular the case of the Republic of Vanuatu, which started this process in 1995. After four years, they still have not been accepted into the WTO. We hope that Vanuatu and others currently in the accession process would be accepted at the earliest opportunity.

Finally, my delegation would like to recognize the presence of trade unions, community organizations and NGOs in this important conference as equal partners in the process of globalization. We believe in a policy of constructive engagement with them - after all they have existed alongside governments for a long time. They continue to play their role in the development of their respective communities, particularly in achieving social and economic justice for the people they represent. Let us consult them in our decision-making process.

Ours is not a perfect world. Inequities, inconsistencies and injustices abound in the current world economic order. We should all strive to work together to make our earth a better place for all of us, especially for the poor.
