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## TONGA

### Statement by the Honourable Guilio Masasso T. Paunga Minister of Commerce and Industry

*(Speaking as an Observer)*

I thank you for the opportunity to share our aspirations and issues that are of concern to us. I wish to join the previous speakers in conveying our sincere gratitude to the Government of the United States, the Emerald City and the Seattle Host Organization for hosting this Third Ministerial Conference of the World Trade Organization. I bring to you all greetings from the Kingdom of Tonga, the land where time begins.

It is evident that the globalization process and trade liberalization has been beneficial to the world economy. The opening up of markets has contributed significantly to an increase in global production and improvement in standards of living and Tonga has benefited from this process. It is therefore in our best interest to maintain an open and free trading environment. Tonga is a small vulnerable developing state, which is susceptible to natural disasters and external economic shocks. The Tongan economy is mainly agricultural and we rely on a narrow range of commodities for exports. The constraints that we face in the development and diversification of international trade are similar to that faced by least-developed countries. I wish to reiterate the call from small vulnerable developing States for the development of a comprehensive vulnerability index that would encompass factors such as environmental and capacity considerations that could be applied in the criteria for determining least-developed countries.

The Uruguay Round Agreements and WTO multilateral trading system asserts formidable challenges and great opportunities. While we endorse trade liberalization we believe that it should be equitable and fair. We sincerely hope that appropriate measures would be taken to simplify and streamline the accession process, commensurate with the capacity and constraints facing individual acceding countries. In this context there is a need to explore ways and means that would enable us to fully participate in the WTO system, and to fulfill the obligations of the WTO Agreements.

Tonga is conscious of the need to continue to implement national efforts toward economic reforms, build and strengthen competitiveness and develop institutional capabilities.

I would therefore request the meeting to consider the adoption of measures to enable us, small island vulnerable States, to meet the challenges and optimize the benefits from the existing Agreements. We are cautious and apprehensive that we would not only lose the margins of preferences we have enjoyed in the past in certain markets but we would further be required to implement a series of obligations arising out of the Agreements.

It is imperative that small island States are to be granted the necessary flexibility to reduce tariff levels while maintaining balanced development and sustained growth.

I would also request the consideration of the following issues:

1. Immediate action should be taken in favour of not only LDCs but also small vulnerable developing States by extending zero bound rates to all imports from these countries into developed WTO Members.
2. Furthermore, we recognize the long term economic benefit of trade liberalization and market access in agricultural products while providing funding and appropriate assistance to developing countries that are net-food importers and those dependent upon preferential agricultural commodity agreements.
3. Special differential measures have been incorporated within the WTO Agreements. These measures alone will not be sufficient to enable Tonga and other small island developing States to meet the challenges of the multilateral trading system. Thus, there is a need for supportive action towards promoting small island vulnerable developing States' concerns through bilateral and multilateral assistance.
4. In recognition of the indigenous intellectual property rights, support is needed for the development of appropriate legal instruments within the TRIPS Agreement that recognize the rights of indigenous holders on a par with the rights of IP right holders.
5. Because of constraints associated with smallness, the services sector appears to be a possible avenue for small island vulnerable developing States to pursue. Of particular concern is the need for developed countries to provide incentives to improve the access to small island economies, to technical distribution, information networks and so forth. Therefore Tonga supports further liberalization in service sectors that will facilitate the integration of small vulnerable developing States into the global trading system without resort to any formula approach to liberalization.

To conclude, Tonga appreciates the support and assistance of the WTO in encouraging our accession, yet we remain disadvantaged by our lack of expertise, and the complexities of WTO rules and agreements between requirements and legislation. Hence to facilitate easier accession there is a need for the availment of appropriate technical and financial support to complete this exercise.

May I therefore take this opportunity to propose before this Ministerial Meeting that the concerns of the small island vulnerable States and small economies are taken into serious consideration. Once again I wish to reiterate Tonga's desire to join the WTO and our appreciation for the invitation for Tonga to attend this Conference.

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