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ISRAEL

Statement by H.E. Mr. Ran Cohen Minister for Industry and Trade

Today, on the eve of the 21st century, we are at a critical crossroads. The path we choose will determine the future direction of the WTO.

As a small country, with few natural resources, Israel is highly dependent on foreign trade. For us, therefore, the expansion of international trade is a top priority. Israel views the new trade negotiations, which are to begin at this Ministerial meeting, as essential for the promotion of economic development worldwide.

We believe that this mission can only be achieved if member countries and acceding countries respect and comply with the basic rules and principles of the WTO - namely: non-discrimination, transparency, and consensus-based decision-making, taking into account the legitimate exceptions embodied in the GATT.

Israel would like to reiterate its hope that, in order to maintain efficiency and credibility, the WTO will continue to focus on its mandate - namely the operation of a rule-based world trading system - without politicization.

For Israel, the future holds the challenge of achieving lasting peace. The challenge before us is to create real peace, that is peace between peoples. Peace that will bring prosperity to all the people of the region, by encouraging investment and economic cooperation, thereby expanding employment opportunities, enhancing economic development and living standards, and ensuring social and economic stability in the whole region.

We believe that economic cooperation and trade are the foundation of peace, where people work together, where partnerships are established, mutual interests created, comparative advantages combined, and economies become truly interdependent. In the spirit of these goals, we have supported the establishment of industrial parks together with our neighbours, creating thousands of new jobs. This success is encouraging us to establish new joint projects.

In the long run, such regional initiatives should serve as a catalyst to even greater openness and cooperation at the multilateral level. We call upon our trade partners to support these ventures by taking appropriate measures to contribute to the success of these initiatives.

During the last decade Israel has implemented a far reaching policy of unilateral trade liberalization, complemented by bilateral liberalization within the framework of free trade agreements. With a view to improve market access, we support multilateral negotiations for further liberalization, in both industrial and agricultural products, taking into account the special needs of each country. Within this framework, we expect that Israel's implementation of unilateral

liberalization will be duly recognized. In addition, it is imperative that the process of liberalization will be broad and will involve the vast majority of trading partners in each sector.

As a major producer of information technology products, we welcome efforts towards the expansion of IT product coverage. Israel, however, will be able to support an agreement only if accepted by consensus of at least all ITA members. At the same time, we stress our support for future work on non-tariff measures within this framework.

Israel supports the inclusion of all the service sectors in the upcoming negotiations and is ready to take on further commitments, subject to reciprocal commitments on the part of its trading partners. It will be recalled that we took an active part in the negotiations on basic telecommunications and financial services. Our commitments in these areas reflect an open and liberal policy, and a willingness to achieve even greater liberalization.

With regard to government procurement, we strongly support a multilateral agreement on transparency, from which all Member countries stand to gain. In addition, we will continue to support the expansion of the Government Procurement Agreement in membership and coverage. As one of the first developing countries to join this agreement, we believe that in order to attract new countries to join the GPA, it is imperative to maintain special treatment to developing countries and facilitate participation of small and medium-sized suppliers.

Israel recognizes the growing importance of the link between investment and trade in the international economy. In this regard, Israel's investment regime is open, stable and liberal, which has in recent years, served as an engine for economic growth and international economic cooperation.

We also view favourably the incorporation of trade and competition into the agenda of the future work of the WTO. It is important for all WTO Members to implement domestic competition principles in parallel to trade liberalization. Efforts towards the establishment of competition rules should not, however, delay the implementation of the agreed agenda.

Electronic commerce is revolutionizing the development of trade. Therefore, we support the continuation of the standstill on imposing duties on electronic transmission. In addition, we should carefully monitor developments in e-commerce in order to prevent barriers and assure participation of all business operators, including small and medium-sized operators.

Israel attaches great importance to the respect of core labour standards and environmental issues. While the WTO may have a role to play, the comparative advantage of low-wage countries should not be jeopardized, nor may labour standards or environmental measures be used as a non-tariff barrier.

Israel supports the work programme on trade facilitation in order to reach agreed solutions to facilitate trade. To this end, we propose entering into bilateral arrangements on a regional basis to facilitate regional trade, which will spur trade facilitation at a multilateral level.

Israel welcomes the accession of new countries to the WTO, and their integration into the multilateral trading system, based on commitments to respect fundamental WTO rules regarding non-discrimination and market access.

We urge that this round of negotiations will be completed within three years, in order that its benefits can be realized as soon as possible. We have come a long way, and look forward to an even brighter future.
