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Statement by H.E. Mr. Juan Gabriel Valdés Minister for Foreign Affairs

The images of our conference being broadcast would seem to betoken an economic and social situation full of threats and problems. It is somewhat paradoxical that such an impression is being created from within a city and a society that have benefited so clearly from globalization.

However, over and above the protests, which have very diverse motivations, Chile wishes to reaffirm its commitment to open trade.

It cannot be otherwise. In the last six years, Chile's foreign trade has grown by 66 per cent, an increase that has led to an average annual increase in the GDP of about 6 per cent. In addition to implementing the Agreements resulting from the Uruguay Round, in 1998 we agreed to reduce tariffs unilaterally by one percentage point each year so as to achieve a level of 6 per cent by the year 2003. Similarly, we have signed free trade agreements with 15 countries and have negotiations underway with Korea and the European Union. Our trade policy has not made us poorer. Chile's economic openness has created new opportunities for many Chileans and has gone hand in hand with a successful policy to reduce extreme poverty in our country.

We are reasonably satisfied with the implementation of the Marrakesh Agreements. However, we should like to point to certain tensions that have arisen in particular, from their implementation, for which solutions must be sought, among other measures, through the start of multilateral trade negotiations.

Many of our countries are making great and sustained efforts to overcome poverty. The current conditions in which international trade in agriculture operates help to increase poverty, precisely in those sectors where it is most concentrated. It is a moral imperative for the international community to reverse this state of affairs by continuing the process of agricultural reform. A concern to preserve the rural sector cannot serve as an excuse for maintaining high levels of export subsidies. That has been the understanding of the Ministers in the APEC and the FTAA, who have called in their declarations for the elimination of such practices in the WTO.

The experience over these last five years has revealed a kind of "arms race" in the application of anti-dumping duties, which have now become the most dangerous instrument of protectionism. The new negotiations on access will lack credibility and will clearly not be equitable if stricter disciplines are not adopted at the same time in order to end the abuse of anti-dumping measures. Likewise, the time has come to end protectionist discrimination in government procurement.

The multilateral trading system will be incomplete as long as it lacks new disciplines in competition policy and investment to complement the investment disciplines under the GATS. We are aware of the areas of resistance and sensitivity, but we need to take at least a first step forward, however modest that may be.

The environment is a central and major concern in any modern society. There are considerable tensions between those wishing to protect the environment and those wishing to promote freer and non-discriminatory trade. However, over and above our immediate interests and our fears of opening new doors to hidden protectionism, we have a responsibility to find balanced solutions that will provide certainty and legal stability for economic actors.

Nor can we ignore the need to adopt new regimes in the labour field. For that we already possess a forum that we must utilize: the International Labour Organization. We need to strengthen the links between the ILO and the WTO.

The multilateral trading system has detractors who raise their voices against globalization, as has been shown by the events of the last few days in Seattle. We must find arenas, both at the national and international levels, that will give those representing civil society an opportunity to express their views and that will lead to a constructive dialogue with governments. Globalization requires new rules. The search for new global regimes also assumes the creation of new channels of participation.

We are confident that our deliberations will lead to a new comprehensive round of negotiations that will consolidate and strengthen the multilateral trading system.
