

Plenary Statement of Mr. Hiroshige SEKO, Minister of Economy, Trade and Industry of Japan, at the eleventh WTO Ministerial Conference

I would like to express my sincere gratitude to the Government of Argentina, Chair Malcorra and Director-General Azevêdo for their hospitality in organizing this meeting.

Since the WTO was established two decades ago, the rules-based multilateral trading system reinforced by the effective dispute settlement mechanism has significantly contributed to dramatic developments in the world, such as remarkable economic growth in emerging countries, development of global value chains, and the fourth industrial revolution.

Despite these developments, the value of free trade and the multilateral trading system are facing serious challenges today. Does free trade really contribute to growth and employment of the world economy? Are the income gaps narrowed? Does the multilateral trading system catch up with the changes of today's economy? These questions have been raised.

Against this backdrop, the world is paying great attention to the outcome of MC11. We, Ministers, now need to demonstrate our strong commitment and send out a message to the world to further bolster the trust in the multilateral trading system and to promote free trade.

Now I suggest that we pay particular attention to the following three major challenges.

Our first challenge is how we bring about "inclusive growth." It is critically important that the benefits of trade be shared among all members of our society. I hope to exchange views with other Ministers on our future works in the areas of MSMEs, trade and investment facilitation, and transparency of regulations.

Japan also wishes to contribute constructively to discussions regarding public stockholding, domestic support in agriculture, fisheries subsidies, domestic regulation in services, and trade and development, on the basis of the discourses in Geneva.

Our second challenge is how to harness the opportunity of “digital revolution,” which has a potential to dramatically change our society. It revolutionizes industries and businesses. It encourages the participation of various constituents in trade such as women and MSMEs, particularly in developing countries.

Japan has submitted a proposal to establish a working group on e-commerce, building on the discussions in the WTO since 1998.

In the working group, members will discuss holistically whether it is necessary to clarify and strengthen the existing WTO rules on e-commerce. Members will also discuss what kind of opportunities and challenges developing countries and MSMEs are facing.

In this regard, Japan announces its intention to extend approximately 33 billion yen of assistance, which is equivalent to approximately 300 million US dollars, for the upcoming three years to help build necessary infrastructure. Japan hopes the developing countries will harness the benefits of e-commerce by taking advantage of this assistance as well as participate actively in the discussion of international rule making on e-commerce.

I would like to ask all members here to support our proposal, in order to make an important step forward in our work on e-commerce at the WTO.

Last but not least, we should also work on the issue of “market-distorting measures.” Free trade only works when we secure fair conditions for competition. Fair market conditions must not be negatively affected by measures such as market-distorting subsidies, forced technology transfer, infringement of intellectual property rights, and unfair trade practices by state-owned enterprises.

To this end, Japan supports the objective of proposals to enhance transparency and strengthen notification requirements. These proposals should be taken into account in the future work of the WTO.

Furthermore, enforcement of the existing rules and proper functioning of the dispute settlement system are important role of the WTO.

In the medium-to long-term, it is also important to review our rules to regulate market distorting measures more effectively. We may use new rules developed in FTAs as a reference.

We should secure a global level playing field by addressing market distorting measures.

None of these challenges are easy to solve, but we must not give up moving forward. We should further enhance the credibility of the multilateral trading system through our collective political will. On behalf of the Government of Japan, I am committed to contribute my best efforts to open a new page in the history of the WTO.

Thank you.