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TONGA

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(Speaking as an Observer)

I wish to join the previous speakers in conveying our deep gratitude to the Government and people of Qatar for hosting this Fourth Ministerial Conference of the World Trade Organization in a most challenging time. I congratulate you for the excellent arrangements and hospitality.

I bring to you greetings from the Kingdom of Tonga, the land where time begins. We are in a most challenging time. The world economy is moving into recession and while the impact may be significant on larger economies, the effect on small economies will be colossal.

Tonga is a small developing economy, isolated from its major trading partners, has poor resource endowment and is very vulnerable to natural disasters and external economic shocks. While we share many of the problems of other developing countries, we have unique problems of our own.

We call upon WTO Members to recognize the particular concerns and the unique circumstances confronting small developing economies in the process of integration into the multilateral trading system. Our difficulty in adjusting to a globalized economy stems from our inherent vulnerabilities.

Tonga's economy has evolved on the basis of reliance on trade in a very narrow range of goods and services. These included commodities exported under special preferential arrangements that took account of our cost disadvantages and inherent characteristics. Historically we were encouraged by the international community to move away from monoculture exports and to diversify into export-oriented manufacturing through the use of export processing zones.

The process of globalization has created a combination of circumstances that threatens the very viability of our economic base. The phasing out of trade preferences, including commodity protocols, coupled with the imminent application of subsidy discipline jeopardize the future of our agricultural, manufacturing and services sectors.

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.

Becoming a Member of WTO involves both obligations and rights. The Uruguay Round Agreements and the WTO multilateral trading system assert formidable challenges and great opportunities for small developing economies like ours. We endorse trade liberalization but we believe that it should be equitable and fair.

We also call upon the WTO to simplify, streamline and expedite the accession process for small island economies. Tonga's contribution to world trade at large may be insignificant, however the increase in the number of countries who are Members of WTO will strengthen the international outlook of the Organization and the multilateral trading system.

Small island economies such as Tonga require a more flexible approach and time-frame to meet our obligations. This is imperative to minimize the impact on our people. In this context there is a need to adopt measures to enable us to fully participate in the WTO system and to fulfil the obligations of the WTO Agreements. It is imperative that small island economies are to be granted the necessary flexibility to reduce tariff levels while maintaining balanced development and sustained growth.

Special differential measures have been incorporated within the WTO Agreements, however these measures alone will not be sufficient to enable small island economies like Tonga to overcome the challenges of the multilateral trading system.

Tonga is cognizant of the need to continue to strengthen national efforts towards economic reforms, building supply capacities and strengthen competitive and institutional capabilities.

We face typical constraints of supply capacities of exportable goods and services, narrow export base with limited markets, moreover our export regime is not up to standard and well coordinated due to lack of proper development of transportation, institutional and necessary infrastructures to trade.

Appropriate capacity building and development of necessary prerequisite trade facilitation measures must be in place to enable small developing economies to fully participate and maximize their trade opportunities in the multilateral trading system.

In recognition of the indigenous intellectual property rights, support is needed for the development of appropriate legal instruments within the TRIPS Agreement that recognizes the rights of indigenous holders on par with the rights of intellectual property right holders.

As a small economy with limited resources and domestic markets, Tonga considers the services sector as a possible avenue to pursue. Of particular concern is the need for developed countries to provide assistance to improve the access of small island economies to technical assistance, information networks and the necessary infrastructure.

Therefore Tonga supports further liberalization in service sectors that will facilitate the integration of small developing economies into the global trading system without resorting to any formula approach to liberalization.

Finally, I wish to reiterate Tonga's desire to join the WTO. I also wish to express our appreciation for inviting us to this Conference. Tonga values the support and assistance of the WTO in encouraging our accession, yet we remain disadvantaged by our lack of expertise and limited capacities. We request your continued cooperation in making available appropriate technical and financial support to complete our accession expeditiously.
