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SRI LANKA

Statement by H.E. Mr K.J. Weerasinghe
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Let me first express my sincere thanks to the State of Qatar and its people for making excellent arrangements for hosting this Fourth WTO Ministerial Conference and making our stay comfortable and a pleasant one.

Sri Lanka recognizes that a strengthened rules-based multilateral trading system is important for free and fair trade and a robust world economy is a prerequisite for all countries to benefit from growth in international trade in particular developing countries like Sri Lanka, whose external trade contributes 68 per cent to GNP. Therefore, we reaffirm our commitments to a rules-based multilateral trading system. However, Mr Chairman, we share the view that imbalances and asymmetries do exist in the multilateral trading system and that developing countries have not shared the benefits in an equitable manner in the purported growth in international trade,

Trade is not an end in itself. It is a means to an end - that end must be sustainable human development that reduces poverty. Despite the opportunities offered by the Uruguay Round, many developing countries still have a marginal and diminishing share in world trade. The Uruguay Round Agreements have not opened, as expected, the markets of the developed countries for the products of export interest to the developing countries. The continued existence in developed countries of tariff peaks, tariff escalation, non-tariff barriers such as arbitrary and complex rules of origin, technical barriers to trade, sanitary and phytosanitary measures used for protectionist purposes, abuse of anti-dumping, countervailing and safeguard provisions have a serious negative impact on the trade and development prospects of the developing countries. Many of these border measures have prevented such countries from reaping the benefits of trade liberalization. The Ministerial Conference, therefore, should address the negative impact of these measures with a view to eliminating them. It is more urgent than ever to ensure that outcomes of this Conference mark a clear step on the path to a new and more inclusive version of world trade with equitable benefit sharing. In this context the Work Programme to be agreed in Doha should provide sufficient flexibility to developing countries to implement them and a development dimension must be central to that Work Programme.

The main objective of the Doha Ministerial Conference from, Sri Lanka's point of view is thus to agree on a manageable Work Programme that will benefit all Member countries. I now wish to highlight Sri Lanka's views on some issues, which have been at the centre of debate on the work programme to be agreed..

Let me address the implementation issues first. The developing countries have identified more than 100 implementation issues, which emanate from the inadequate or faulty implementation of agreements, in letter and spirit, those arising from incorrect interpretation of the provisions of those agreements and those which arise from inherent asymmetries and imbalances with the WTO Agreements. Sri Lanka reiterates the need for full and faithful implementation and the redressing of

existing imbalances arising from the Uruguay Round Agreements, which is an important step towards confidence building and strengthening the credibility of the multilateral trading system.

On the Decision on Implementation Issues, action is being offered for only about half of the proposals, after two years of deliberations. The results so far achieved fall short of our expectations, therefore it is imperative that enhanced market access opportunities for small suppliers under the Agreement on Textiles and Clothing (ATC) and providing required flexibility and agreeing to grant extensions to countries in Annex VII of the Subsidies and Countervailing Measures Agreement (SCM), should be an integral part of the package, as such measures address the development needs of small developing countries like Sri Lanka.

On the remaining Implementation Issues my delegation shares the view that all outstanding implementation issues should form an integral part of the post-Doha work programme that we are establishing and that agreement reached at an early stage in these negotiations should be treated in accordance with the provisions of paragraph 40 of the Draft Declaration.

On core-labour standards, in spite of many delegations expressing serious concerns to any reference to labour standards in the Geneva Consultation process, the 27 October text in fact has been strengthened with an addition of a sentence. My delegation has serious difficulties in agreeing to any reference to labour standards in the Ministerial Declaration.

Similarly, on trade and environment we share the view of many developing countries that the WTO negotiating agenda should not be expanded to include these issues and therefore no reference should be made in the Ministerial Declaration at this point of time.

The main objective of the Doha Ministerial Conference, as stated earlier from Sri Lanka's point of view, is to agree on a manageable work programme that will benefit all Member countries. Therefore, Sri Lanka shares the view of many developing countries that mandated negotiations in agriculture, services, and extension of geographical indications for additional protection to products other than wines and spirits, mandated reviews on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Trade-Related Aspects of Investment Measures (TRIMs), etc., constitute a large and complex agenda. Therefore, inclusion of additional items on the agenda will place an undue burden on the developing countries, which are already struggling to participate effectively in the WTO process and to implement their existing WTO commitments. The WTO Ministerial Conference in Doha should therefore, while rejecting, the mercantilist approach to trade negotiations, agree on specific implementation measures and commit the WTO to rebalance the existing Agreements over the next two years.

As regards agriculture, my delegation is strongly of the view that special and differential treatment should be an integral part of the negotiations and should be embodied in the schedule of concessions and commitments. Therefore, the current text in the 27 October Draft Declaration is the minimum acceptable to my delegation. Furthermore, food security concerns of developing countries, which are distinctively different from those of developed countries, need to be explicitly recognized. In this context the proposal submitted by the Group of Developing Countries for the creation of a "Development Box" to have necessary instruments in order to provide flexibility to take border measures and access to a special SSG mechanism should be reflected in the Doha Declaration.

The recommendations made by the Committee on Agriculture on the implementation of the Marrakech Decision on possible negative effects of the Reform Programme on Least-Developed Countries (LDCs) and Net Food Importing Developing Countries (NFIDCs) does not meet our expectations. However, we agree to the recommendations as we believe this is the first step towards implementation of that decision. It is our expectation that appropriate reference should be made to NFIDCs as an integral part of a broader new mandate on Agriculture. There is reference in the preamble to the Agreement on Agriculture (AOA) to this group of countries. Article 16 of the AOA

is specifically on NFIDCs. Therefore the problems and concerns of 19 NFIDCs and 49 LDCs, making a total of 68 countries on the membership of this Organization should be addressed in a broader mandate on agriculture. Furthermore, Sri Lanka is also of the view that the WTO Agenda of the next two years should focus on reform of agricultural trade with a view to enhancing food security, on improved market access for developing countries, by addressing high tariffs and tariff escalation in this sector in developed countries,

On services, while agreeing that negotiations are progressing satisfactorily, it is reiterated that there is a need to liberalize and remove restrictions on the movement of natural persons under Mode 4 of the General Agreement on Trade in Services (GATS). In this regard, Sri Lanka shares the view of a large number of developing countries that, if a positive action does not take place on Mode 4, we will have difficulties in the continuation of the negotiations on services. As this is a significant important area where developing countries enjoy comparative advantage, the developed countries should liberalize their labour markets. The service negotiations in respect of developing countries should be based on voluntary commitments by sector, and without external pressure for hasty or ill-considered liberalization.

On TRIPS and geographical indications, this is an issue of trade significant to a number of countries including of Sri Lanka. We attach high priority to the extension of protection under geographical indications for products other than wine and spirits. Therefore, we have difficulty in agreeing to the current text and we strongly support a text that reflects concomitance between the completion of negotiations for the establishment of a system of notification and registration of geographical indications for wines and spirits and negotiations for extension of a higher level of protection to geographical indications to additional products on par with wines and spirits.

On the TRIPS Agreement and Public Health, Sri Lanka is also of the view that this issue should figure prominently in the deliberations of the Doha Ministerial Conference, as there is widest recognition on this issue among Member countries. As regards separate Ministerial Declaration on Intellectual Property Rights and Public Health, it has been repeatedly stated that the issue of TRIPS and Public Health includes the issue of access to medicine but is not limited to this issue alone. This Draft Declaration therefore should affirm, the commitment to implement and interpret TRIPS in a way that is supportive of public health policies, without implying that it is limited to access to existing medicines and R&D into new medicines only.

Furthermore, it should be explicitly recognized that nothing in the TRIPS Agreement prevents WTO Members from taking measures to protect public health. In line with this understanding, we should endorse a clarification and interpretation of the TRIPS Agreement, as contained in the Ministerial Declaration on TRIPS and public health, that will allow and encourage Members, in particular developing countries, and least-developed country Members to avail themselves of the widest range of policy options for the protection and promotion of public health, including rights of countries to grant compulsory licences for local manufacturing, import and export and to allow parallel imports. Therefore, it is imperative that the TRIPS Agreement should be reviewed from a pro-public health and pro-development perspective.

Furthermore, Sri Lanka supports clarifying the relationship between the TRIPS Agreement and the bio-diversity convention, addressing the issue of protection of traditional knowledge, non-violation complaints and transfer of technology.

On textiles, it is our considered view that there is an immediate need for a meaningful integration of the textile and clothing sector, in view of very limited liberalization of trade, affecting items under specific quota restraints and meaningful increase in access possibilities for small suppliers from developing countries. The remedial measures in this regard should include among others, accelerated liberalization, enhancement of quotas for small suppliers on the basis of "growth on

growth" and application of a moratorium on anti-dumping, countervailing and safeguard measures resorted to by industrialized countries.

On trade and investment as Sri Lanka recognizes the importance of foreign investment in its economic development process, we would be flexible on the subject of trade and investment, if there is an explicit consensus among Members to conduct negotiations.

On the other elements of the Programme on Trade and Competition, we consider that this is a complex issue. Therefore, we are not yet convinced of the desirability degree of suitability and implications of multilateral rules on this issue. Therefore we consider that deliberations at Working Group level on this issue should continue till explicit consensus is reached.

On government procurement, it is not clear to my delegation what the specific elements on transparency are that will be subject to negotiations. Furthermore, the earlier text also had a specific mention, that issues related to compliance with any new obligation to be agreed shall be addressed in the negotiations, taking into account situations of developing and least-developed country participants, This has been replaced in the phrase - matters related to the nature of commitments and their implementation shall be addressed in the negotiations. This clearly shows that there will not be any flexibility on the issue of compliance. We also share the view that transparency in Government Procurement is not yet ready for negotiations and therefore, we have difficulty in agreeing to negotiations.

On Trade Facilitation, although Sri Lanka recognizes the importance of Trade Facilitation, we are concerned at having uniform binding rules in these areas at the early stage of development in the developing countries. It is our firm belief that technical and financial assistance should be extended, in order to achieve a certain level of economic development, at which point rules could be applied. Therefore, we support a step-by-step approach, by first recognizing the role of trade facilitation, then agreeing on principles, which are not binding. It would also be necessary to clarify whether trade facilitation, will be subjected to Dispute Settlement Understanding (DSU).

On the subject of market access negotiations on non-agricultural products, we would be flexible to join the consensus, for conduct of negotiations provided there is a categorical assurance that tariff peaks and escalation in developed countries will be reduced comprehensively. Furthermore there should also be recognition that credit will be given based on agreed multilateral criteria, to countries that have undertaken autonomous liberalization in this sector. Furthermore, any negotiations, if agreed, on non-agriculture tariffs should be from bound tariffs. In addition to relevant provisions of Article XXVIII *bis*, there should also be specific reference to paragraph 8 of Article XXXVI of Part 4 of the GATT 1994.

On e-commerce, Sri Lanka recognizes the benefits that could accrue to developing countries from e-commerce. We therefore call upon the need of continuing the Work Programme on E-Commerce and reaffirm the need to bridge the digital divide. While facilitating the access to modern technology, all restrictions that prevent developing countries in participating in e-commerce should be eliminated.

On technical cooperation and capacity building, Sri Lanka's position is that WTO should recognize this subject as being on the core agenda of the WTO. Therefore, in order to achieve the objectives of technical cooperation and capacity building, the finances should be put on a firm footing by making allocation from the regular budget by commitments to increase substantially the funding of trade-related technical assistance and capacity building by developed countries.

Finally Sri Lanka shares the view that special and differential treatment in the WTO Agreements should be made more precise, effective, operational and mandatory. In this regard, we strongly support the proposed Framework Agreement on Special & Differential, which should include

provisions reflecting the objectives and aspirations of the developing countries. Furthermore, on proposals for the establishment of Working Groups on Trade and Finance, Trade and Debt, and Transfer of Technology, mere "examination and any possible recommendations" would not be sufficient and substantive examination of this issue should take place in Working Groups and to make recommendations by the Fifth Ministerial Conference.

On LDC issues, we share the view that priority issues of interest to LDCs as called for in the Zanzibar Declaration have not been adequately reflected in the Declaration. Furthermore, accession of LDCs to WTO should be accelerated, recognizing that those concessions and commitments made by LDCs should be consistent with their development needs, resources and institutional capacity.

I would like now to focus on an issue, which is yet to receive due attention of the international community. There are significant numbers of small economies, which are vulnerable to external shocks, and their voice is not heard in international fora. Consequently, these countries have been increasingly marginalized in the multilateral trading system, which needs to be recognized and find ways and means to address them. Therefore, there is a necessity for WTO Members to identify specific problems faced by these small economies and agree to a work programme in order to address these problems before it gets aggravated. Therefore, my delegation fully supports and agrees to a work programme to examine issues relating to trade of small economies and General Council make recommendation for action to the fifth session of the Ministerial Conference.

May I emphasize the fact the outcome of this Ministerial Conference is bound to have very serious implications, particularly, for small trading nations in the developing world like Sri Lanka, as the stakes of a positive outcome would be quite high, in that we have much to gain by a further strengthened and reinforced multilateral trading system. On the other hand, it will be the small, economies like ours, which will feel the adverse impact of a possible fragmentation of the World Trading System, with the increasing shift towards regionalism, and bilateralism, in the event of a possible failure of this Conference, particularly, in the current global context of recessionary trends in the world economy. Therefore, pragmatic, realistic and viable compromises by all concerned leading to a well-balanced end result are called for.

This Ministerial Meeting assumes greater significance for the entire Multilateral Trading System in that it adopted the historic decision concerning the accession of the People's Republic of China as a Member of the WTO. On behalf of Sri Lanka, I have great pleasure in taking this opportunity to convey our heartiest congratulations and warmest felicitations to His Excellency the Minister of Foreign Trade and Economic Cooperation of the People's Republic of China, and his delegation on this momentous moment in the history of the GATT/WTO. It is our fervent belief that the accession of China to the WTO will not only bring tangible benefits to China herself but also in the larger context, it will definitively impart the much-needed and long-felt universal character to the Multilateral Trading System enshrined in the WTO. Sri Lanka express her keen desire and willingness to work and cooperate with China in the most constructive manner in this multilateral forum for the benefit of all Members. While on the subject of accession of new Members to the WTO, it is our firm belief that countries in our own region, Nepal and Bhutan and also other countries like Russia and Saudi Arabia together with a host of candidate countries will be able to accede to the WTO in the very near future.
