

# WORLD TRADE ORGANIZATION

WT/MIN(98)/ST/98

20 May 1998

(98-2115)

MINISTERIAL CONFERENCE  
Second Session  
Geneva, 18 and 20 May 1998

Original: English

## THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

Statement Circulated by Dr. Chih-kang Wang,  
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(As an Observer)

This is a significant year in world trade as it marks the 50th Anniversary of General Agreement on Tariffs and Trade (GATT), the prelude to the World Trade Organization (WTO). This year also coincides with the Second Ministerial Conference of the WTO, a time for ministers to come together to prepare for the millennium discussions.

WTO has successfully succeeded the GATT in providing a solid multilateral framework for trade supported by a set of well-negotiated rules and an expanded agenda, dealing with issues going far beyond the lowering of tariff for trade in goods. The comprehensive and prompt implementation of the commitments is a key element in contributing to the realization of the WTO mandate. Looking back at the past three years of collective endeavour by Members, the WTO has been instrumental in setting the pace for trade liberalization. Nonetheless, the trading environment is not a static one and without new challenges. Trade-related issues have emerged from the deepening interdependence between trading economies. The extent of this interdependence is unfortunately exemplified in the recent domino effect of the Asian financial crisis.

On the Asian financial crisis, we are fortunate to be less affected than other emerging economies from the onset of the crisis that has gripped many others over the recent months. Although we are not completely untouched, we have continued to assess and to learn from the financial crisis. The effectiveness of the progressive liberalization policies of my Government is reaffirmed by the current crisis.

We want to urge Members that this is neither a time for protectionist policies nor the suspension or undue delays in the reform process. In fact, it has become even more crucial to maintain the momentum of trade liberalization process that the global trading community has taken half a century to realize. The crisis will be our learning tool, to review our approach and to make the necessary changes as we cross into the next millennium. On this note, we would like to see greater coordination and integration between the relevant agencies in delivering solutions to the crisis. This may begin with closer coordination between the IMF and the WTO, to lay down a feasible structure for economies to work together.

### WTO Accession

The liberalization policy pursued by our Government is also reflective in our bid for WTO membership. More than eight years have passed since our submission of application for the GATT membership, and then the WTO membership with the establishment of WTO in 1995. We would like to take this opportunity to express our appreciation to WTO Members who have participated in our

accession process, for their support and cooperation.

We have made very substantial progress in the bilateral market access negotiations; only two Members remain for further consultations and the outstanding issues are very limited. Our goal is to complete all bilateral negotiations in the near future. To achieve this, we will continue to seek the cooperation and assistance of our trading partners.

Along with the progress of the bilateral negotiations, we have continued to improve our accession package. This exercise is complemented by an overhaul of domestic laws and regulations and to ensure their consistency with WTO rules.

In addition, we have participated in the negotiations for and implemented the requirements of ITA on a MFN basis; and now actively participate in the ITA-II negotiations. The results of ITA-I and ITA-II will be included in our accession tariff schedule, and become part of our WTO obligations at the time of our accession.

We have made many difficult decisions and domestic sacrifice in our endeavour to improve our accession package. As a result, we will be presenting an unprecedented accession package. This is demonstrative of our determination to become a WTO Member and our commitment to the multilateral trading system.

#### Implementation of the WTO Agreements and Ministerial Decisions

The WTO Agreements are the results of a long and difficult round of negotiation; they are also important elements of a comprehensive and ambitious liberalization plan collectively developed by Members. Full and timely implementation of this package, is essential for movement towards further trade liberalization. It is worth to note that the post-UR discussions on the implementation of the WTO Agreements, especially in the areas of import administration of agricultural products, and transparency in respect of various domestic systems and policies affecting trade, have already been considered in our accession exercise. We are confident that at the time of our accession, we will be ready and able to fully implement the requirements of the WTO Agreements, with one or two exceptions where transition periods are arranged.

We are also supportive of the initiatives taken at and after the Singapore Ministerial Meeting for strengthening the multilateral trading system and for furthering the WTO objectives. In particular, we would like to note the following:

- We welcome the outcome of the High-Level Meeting on Least-Developed Countries, and will explore the possibility of providing support to the technical assistance programs, and participate in the discussion on improving market access for the least-developed countries,
- We would like to see continuing discussions on trade and competition, trade and environment, trade and investment, and transparency in government procurement, as the issues involved are essential for broadening and deepening trade liberalization. It is, however, important to keep balanced the interests of different participants in order to gain the maximum support for these endeavours.

#### Future activities of the WTO

The WTO Agreements, Plurilateral Agreements and related Decisions and Declarations

contain elements for review, future work and negotiations. These elements should be given priority in the contemplation of the future activities of the WTO.

For negotiations already mandated, it would be important for Members to discuss and decide on an agenda to facilitate the commencement of the negotiations. We would like to participate in such discussions and also the subsequent negotiations. If we are not a member of the WTO by the time the negotiations commence, we would still want to participate fully in the negotiations, with the results to be implemented before the accession on an autonomous basis, and after the accession as a matter of WTO obligation.

### Conclusion

It is crucial that policy-makers maintain the momentum in the search for consensus in confronting new challenges as we move into the new millennium towards a trade regime that is consistently becoming more complex and diverse. As a responsible member of international trading community, we will participate in the new discussions on agriculture, trade in services, trade-related aspects of intellectual property rights and other issues, when the necessary consensus has been built.

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