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## MALAYSIA

### Statement by Mr. Asmat Kamaludin Secretary-General, Ministry of International Trade and Industry

1. This Third Ministerial Conference of the WTO provides the opportunity to evaluate the effectiveness, including the consequent costs and benefits, of the agreements of the Uruguay Round over the last five years. There is no doubt that world trade has grown as a result of the implementation of the agreements. Nevertheless, it is apparent that the benefits and costs to Member countries are unevenly distributed. That is why we must accord priority and urgency in addressing these implementation issues before we embark on any new negotiations.
2. Our experience shows that there are deficiencies in the Anti-Dumping and Subsidies Agreement that need to be rectified. The Anti-Dumping Agreement, for instance, does not make a distinction between dominant suppliers or small and new exporters from developing countries. The Subsidies Agreement limits the ability of developing countries to pursue developmental objectives by disallowing the foregoing of revenue as a form of incentive. On the other hand, the use of grants is permissible but in practice this can only be used by rich countries. Developing countries can only afford to forego revenue.
3. All of us accept that the WTO comprises members with different levels of development. That is why S&D treatment is a recognized principle. However, this has remained as only a recognition. S&D treatment must be operationalized.
4. We must be ready to take immediate decisions here at Seattle to address implementation issues.
5. If there is consensus to launch a new round, the work of the WTO should include mandated reviews of the various agreements and negotiations on agriculture and services. Malaysia is prepared to join the consensus to include negotiations on market access in the non-agricultural sector in this exercise. We consider this work programme to be balanced and manageable within a three-year time-frame. It is important that we avoid an agenda that is too wide ranging which would be taxing, particularly to developing countries, whose capacity to be effectively engaged is limited by their lack of resources.
6. On agriculture, we support the continuation of the reform process with the objective of eventually integrating agriculture into WTO rules. There is a need for clearer disciplines on the use of domestic subsidies and the elimination of export subsidies.
7. On services, Malaysia will participate in the negotiations and contribute in line with the principle of progressive liberalization. The negotiations on specific commitments must give due respect to national policy objectives and the level of development of individual Members. In order to encourage developing countries to further liberalize, negotiations on Emergency Safeguard Measures for Trade in Services must be completed without further delay.

8. There are proposals by some Members that we should commence negotiations on investment, competition, transparency in government procurement and trade facilitation. Malaysia, like many other Members, is not in a position to support all these proposals. We note that these issues are subjects of discussion in the working groups. Our assessment is that there are many areas that require further study in order to understand better the various issues involved. We cannot undertake negotiations in areas where there has been insufficient preparation. The working groups should continue with their present work and further refine the issues for the consideration of the next Ministerial Conference.

9. It is our view that the issue of trade and labour had already been settled at the Singapore Ministerial Conference when it was decided that the International Labour Organization is the competent body to deal with core labour standards. We would like to reiterate that all countries should conform to the core labour standards agreed to in the ILO. Malaysia as a responsible Member of the ILO has subscribed to almost all the core conventions relating to these standards.

10. Attempts to discuss labour in the WTO is a cause for concern to us. We believe such discussion in the WTO would ultimately lead to calls for changes in WTO rules that would permit trade measures to be used to force compliance of labour standards. This would only erode the fundamental principle of MFN in the WTO. It would also permit countries to justify new forms of protection and negate concessions made in previous negotiations. The same concerns apply to environmental standards.

11. We should never use trade measures to achieve non-trade objectives such as adherence to labour standards and environmental objectives. WTO cannot be the forum to discuss and provide the cure for all the social ills of the world. To do so we would only jeopardise rather than promote future trade liberalization.

12. As a small nation reliant on trade, Malaysia attaches great importance to the WTO and the rules-based multilateral trading system. We will continue to participate in evolving rules that are fair and equitable.

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