

11TH CHINA ROUND TABLE ON WTO ACCESSIONS

OPENING REMARKS BY H. E. AMBASSADOR LI CHENGGANG

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H.E. Mr Bountheung Douangsavanh, Vice Minister of Industry and Commerce, Lao PDR,

Ms Oshikawa, Director of Accessions Division of the WTO,

Excellencies, Ladies and Gentlemen,

Good morning!

It is an honour to attend this round table. I sincerely thank the Government of Lao PDR and the WTO Secretariat for your invitation. Please allow me to take this opportunity to warmly congratulate the Lao PDR on the 10th anniversary of its accession to the WTO.

The world today is facing unprecedented challenges. In such difficult times, we need moments of reflection based on keen observations. Today, I would like to share with you some of my thoughts.

First, multiple global crises need collective responses, and multilateral cooperation is the way out. Under the interconnected threats of food and energy crisis, climate change and aftermath of the recent health crisis, no country is immune. As the theme of the recent World Economic Forum tells us, we need "Cooperation in a Fragmented World". It is imperative that all countries unite to overcome the difficulties together.

In recent years, more countries turned open to international cooperation in combating climate change and adapting to the digital economy. However, some are pursuing hegemony and unilateralism with the excuse of national security. Near-shoring and friend-shoring are advocated to take place of offshoring, threatening global supply chain security and aggravating fragmentation.

Recent studies by WTO economists conclude that a complete decoupling of the East-West world would lead to a decline in welfare for all countries, by up to 12% in some regions, with low-income countries being the most affected. Therefore, we must learn from the lessons of the Great Depression 100 years ago, abandon the beggar-thy-neighbour, zero-sum game mentality. We must adhere to openness and inclusiveness, and strive for mutual benefit and win-win.

WTO members have been making unrelenting efforts to address multiple challenges. All of the 10 agreements accomplished at MC12 last June were responses to global pressing issues. The Agreement on Fisheries Subsidies, for instance, will contribute to the protection of global marine fish stocks. The decision to waive IPRs for COVID-19 vaccines will improve the production capacity and accessibility of vaccines in developing countries. The extension of the E-commerce Moratorium has created an enabling environment for further development of e-commerce. A trade response to global food crisis was also achieved.

Next February, the 13th WTO Ministerial Conference (MC13) will be held in the UAE. We look forward to another successful MC by working together. Asia-Pacific countries should play their constructive role in this regard.

Second, the Multilateral Trading System needs to be more open and inclusive to better address global challenges. Over the past 75 years since the establishment of GATT, multilateral trading system has been improving and attracted more members to join. In particular, since the establishment of the WTO, 35 countries and regions, including six least developed countries, have

successfully acceded to the WTO. And another 24 observers, including Timor-Leste, are in the process of accession. Lao PDR acceded to the Information Technology Agreement (ITA) last summer, becoming the first LDC acceding to a WTO plurilateral agreement, fully demonstrating the value and appeal of the Multilateral Trading System.

The diversity of WTO members and the complexity of economic globalization require a more inclusive multilateral trading system to accommodate the development of the digital economy. The success of MC12 provides us with new impetus, new ideas and new approach. As an important player in global governance, WTO needs to keep pace with the times and adapt to the new situation through reform. The reform should adhere to the basic principles and core values of openness, inclusiveness and transparency. The independent, impartial, two-tier Dispute Settlement Mechanism should be restored as soon as possible, and the WTO rule system should develop towards being more transparent, inclusive, balanced and better able to respond to common global challenges.

Tomorrow, WTO will hold a Retreat on development issues in Geneva. We hope that members will uphold the principle of openness, cooperation and inclusiveness, and contribute to the WTO's efforts to achieve sustainable development goals.

Third, WTO accession is both an opportunity to improve the external environment and an impetus to promote domestic reform. Accession to the WTO is not just a process of accepting and being accepted, but a process of integration into the multilateral trading system of members with distinct characteristics, different levels of development and diverse economic systems. The experience of Lao PDR's accession to the WTO proves that no matter what development path and economic model countries adopt, as long as they uphold the concept of openness and accept the general rules of a market economy, they can benefit and develop together with existing WTO members. The multilateral trading system also becomes more dynamic through further inclusiveness and diversity.

Accession to the WTO is also an external impetus to stir vested interests to deepen domestic reforms. Accession to the WTO requires the courage to conduct reform, without which industries may fail to adapt to the new environment and decline, and the nation may lose its chance to turn the optimization of the external environment into an engine for economic growth.

We are pleased to see that more and more developing members are no longer simply seeking exceptions and exemptions, but are participating more actively in the rule-making process. In the current active JSI negotiations at the WTO, more than 100 developing members are involved in at least one JSI co-sponsorship. For instance, 23 LDCs have participated in the negotiations of Investment Facilitation for Development, with 70% of the proposals coming from developing members. I have to highlight that Lao PDR has joined several JSI discussions including Investment Facilitation for Development, E-commerce, MSMEs, and Women Empowerment. These efforts will enable members to deepen domestic institutional reforms, integrate further in the transformation of the digital economy and engage more MSMEs and women in international trade. The Multilateral Trading System will therefore become more balanced and inclusive.

This Round Table is dedicated to the exchange of experiences and lessons learned from the integration of Asia-Pacific members into the Multilateral Trading System, including those from the Lao PDR. This will surely bring more insights to the participants, all WTO members and the WTO itself.

Finally, I wish the 11th China Round Table a great success!
