

# WORLD TRADE ORGANIZATION

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## PACIFIC ISLANDS FORUM

Statement Circulated by Mr. W. Noel Levi, CBE  
Secretary General

*(As an Observer)*

1. I am indeed honoured to issue this statement to this august gathering of the Fourth WTO Ministerial Conference, on behalf of the Pacific Islands Forum, whose members are the Governments of Australia, Cook Islands, Federated States of Micronesia, Fiji Islands, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.
2. The WTO Agreements, since their coming into force in January 1995, have had far-reaching effects on the global economy and on all countries irrespective of their size, location or whether they are WTO Members. These impacts will certainly intensify with continuing trade liberalization brought about by WTO rules.
3. Not so long ago, in December 1999, we gathered in Seattle in an attempt to launch a new round of trade negotiations that would have seen further progress in the reform of the multilateral trading system. However, Seattle was unsuccessful for reasons that are well known to all of us, in particular the wide divergences not only amongst developed and developing countries but also amongst both developed and developing countries on key issues that ranged from agriculture, to implementation and to new issues.
4. In the preparations for this Conference, open-ended consultations and negotiations have been undertaken in Geneva to bridge the divergent interests of Members on the mandated negotiating areas of the built-in agenda as well as the implementation and new issues. We recognize the improvements that have been made in the procedures and would like to thank those responsible, especially the Director-General Secretary-General, for the wideis Conference, open4.

lessons from their experience in the WTO and from the Seattle Conference, which for most of Pacific Island countries was a first experience.

7. First, a balanced outcome can only be reached if we start by dealing with the issues on our current agenda and by correcting imbalances in the existing rules and practices of the WTO. The granting of the Cotonou waiver is one of the top priorities of the Pacific Island countries, which needs to be dealt with before the addition of new items to the agenda is considered. Like many other countries they also consider that implementation issues which stem from the complexity and range of

are means to an end and not an end in itself. The substantive provisions of the WTO must therefore take the interests of all of its Members into account, including its smallest Members. WTO Agreements only require consultations with countries, which can claim principal supplying interests, or substantial supplying interests when negotiating or re-negotiating trade concessions. Consequently, many small WTO Members would legally be excluded from consultations and negotiations because they are very small producers not having a significant share of world trade in any of the few products they export. However, one or two of these products could constitute over half of their exports and any adverse changes to WTO rules without adequate compensation could have seriously detrimental effects on their future export performance. Changes must be made to existing rules such as these to engage small economies in negotiations of rules that affect their trade interests.

14. Sixth, WTO rules must be supportive of the development efforts of Members, particularly the small and vulnerable Members in their attempt to adjust to the rapidly changing global, trade environment I alluded earlier on to the need to have a genuine level playing field, and that special and differential treatment provisions must be implemented by Members if these are to effectively address the development disparity between the rich and poor nations. WTO rules and procedures for example must be fair to everyone and not used to victimize those too weak to defend themselves. The area of WTO accession, is one in which current practice is grossly unfair to small developing countries and LDCs. Existing rules permit WTO Members to demand as many concessions as they see fit, leaving acceding countries defenceless and forced to take on commitments often far beyond their means - while unable to demand the same of existing Members. In addition to these heavy commitments, accession procedures, which include working party meetings in Geneva, are cruelly expensive. The case of Vanuatu, which is one of our LDC members that has been negotiating its accession for almost six years is not only a clear example, but a clear deterrent for other countries in the Pacific region. Simple and accelerated accession rules are needed to help small developing countries and LDCs regain confidence in the multilateral rules.

15. While still on the issue of rules, the Pacific Island countries along with many developing countries would like to see the development of multilateral rules to protect indigenous intellectual property rights or the traditional knowledge of indigenous communities. This is in recognition of their great diversity and wealth of knowledge that has in recent years been the target of mainly multinational companies in search of new products and processes. We are assisting our Member countries develop and adopt model law on traditional knowledge protection but this is insufficient in dealing with investors outside the region. This is one area in which the multilateral system could LDCs. 1 T thmpenion ruese honal knowledge protecunabledulynsation couh ihonal knowleownIn a -24.75 TD -0.437 LDCs.81confiden Tj 425.25 0 forst--36 -12eng with man Tj 0 -countries along with many everyonthe same o six ye83es wouldT\* -0 lthy arecari. rs. Itilat 0 lthy vuhntrthe sameglobstozhave TjGlobstozhave ino sma sgre

18. We will therefore continue to advocate for recognition of the fact that nations have differing circumstances and that some are more vulnerable than others. If we are to have a genuine level playing field, the multilateral system must accord special and differential treatment to the smaller and the weaker of its members. Some form of helping hand, while maybe distorting to the so-called free market, is essential if we are to deliver the benefits to our communities, and if small nations such as ours are to have an even chance of surviving in this highly competitive global arena of international trade and investment.

19. Notwithstanding the above shortcomings in the multilateral trading rules, the Pacific Islands Forum welcomes the inclusion in the draft Doha Ministerial Declaration of a Work Programme for Small States to be established under the auspices of the General Council. Ministers are encouraged to endorse the proposal as a first step towards practical assistance to help small states overcome imbalances against them within the framework of multilateral rules. Whilst the region will continue to pursue improvements in the multilateral rules, the Pacific Islands Forum have also embarked on measures to assist the region in adjusting to the new competitive global environment.

20. Our region continues to pursue the establishment of strong macroeconomic frameworks as foundations for growth and sustainable development. The main vehicle for this at the regional, level is our Forum Economic Action Plan spearheaded by the Forum of Economic Ministers Meeting (FEMM). There have been some notable successes in our economic reform efforts, but there is also a growing realization that we should also be mindful of the peculiarities of small vulnerable countries, a lesson driven home by the Asian financial crisis and by our own crises of confidence in governments in the South Pacific. Thus, the recommitment by the Forum to the principles of good governance and wider stakeholder consultation.

21. One of the cornerstones of the economic framework is the establishment of a regional trade agreement (RTA) in the region in line with the decision of Forum Trade Ministers. The rationale of the RTA is to create a larger regional economy out of the many small and disparate national economies we currently have. The RTA, which will create a large regional market of around 6 million people, is expected to stimulate production capacity and competitiveness resulting from exposing domestic industries to competition within the region. This will in turn facilitate the region's ability to compete in markets outside the region. The RTA also reflects the Forum island countries' desire for a stepping-stone approach to wider liberalization that will facilitate the region's integration into the world economy.

22. In August this year, the Forum Leaders endorsed and signed an RTA namely, the Pacific Island Countries Trade Agreement (DICTA) amongst the 14 island countries of the Forum and a separate agreement allowing for the future negotiations of new trade arrangements with Australia and New Zealand - the two developed partners of the Forum. The latter agreement also provides for financial and technical assistance on trade-related reforms as well as improving trade facilitation measures, which are likely to bring, more immediate benefits to trade in the region. The two agreements have been designed to be both WTO consistent and cognizant of the special needs of small developing island states.

23. Initiatives are also under way, in aviation, communications and shipping to try and address the problems of cost disadvantages in our region. Indeed the Forum of Aviation Ministers will consider an agreement to create a single aviation market in the Forum region. We realize that the world is being increasingly globalized through advancement in information and communications technology (ICT). The advent of ICT could be expected to alleviate some of the adverse impacts of our inherent development constraints. Indeed, new technologies in telecommunications, internet, and direct satellite broadcasting and transmission are providing opportunities for Pacific island countries to overcome development constraints by; reducing barriers of distance, reducing costs, improving the knowledge, skills and general development of our people, and improving service delivery across countries and the Pacific community. As the Forum reaches agreement in the above-mentioned

