

**WORLD TRADE
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resources or development assistance to undertake new obligations the benefits of which are not evident to us. We therefore do not support the commencement of negotiations in these areas.

Small size, exposition to external shocks and limited options continue to constrain our efforts to diversify and structurally adjust the economy. As a single commodity exporter our small export trade in *sugar*, is only possible through special preferential arrangements that exist for the marketing of this commodity. Without long-standing preferences which offset the loss of competitiveness, we would lose most of our export trade, setting back or even reversing our sustainable developing prospects.

For small economies preferences are of incalculable benefit and their impact on global trade is negligible and too small to threaten any countries interest - in fact in the case of St. Kitts and Nevis our percentage of world merchandise export is 0.000007 per cent.

The Caribbean call on WTO Members to provide for the maintenance and security of such preferences through flexible rules and modalities that allow for exemptions based on special development needs.

Another matter of great concern to small economies and the Caribbean is the threat of tariff reductions and the effect on government revenue. Import taxes account for as much as 50 per cent of government revenue in some Caribbean countries. It is therefore critical that high tariff revenue dependent countries be exempted from further tariff reduction to provide them with the flexibility to take the decisions consistent with their development needs.

At Doha Ministers reaffirmed that provisions for special and differential treatment are an integral part of the WTO Agreements and agreed to review these provisions with a view strengthening them and making them more "*precise, effective and operational*".

Regrettably all the deadlines have been missed and no agreement on the eighty-eight (88) proposals presented has been reached. For small vulnerable island developing states, special and differential treatment is at the core of these states participation in the multilateral trading system. The Havana Charter long ago recognized this principle that Member states are not created equal but have different resources and capacities, are at different stages of development with special needs. Our task here is to give practical expression to this principle so that a country like mine with total merchandise exports of US\$44 million would not be expected to undertake the same level of commitment and obligations as a country with exports of US\$770 billion. The constraints of small size are not temporary, so special and differential treatment should not be looked at as exceptions to the general rules, but as an integral part of the multilateral system.

The viability of the global trading system is dependent on an effective mechanism that allows small states to fully benefit from increased international trade - an outcome vital for economic growth, development and poverty alleviation. We must en