## WORLD TRADE

## **O**RGANIZATION

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## **SOUTH CENTRE**

Statement Circulated by Mr. Branislav Gosovic (As An Observer)

The South Centre is grateful to the WTO membership for granting it the observer status at this second Ministerial Conference of the Organization. South Centre, as an intergovernmental organization of developing countries, believes that the multilateral trading system will benefit from the effective participation in the work of the WTO of its entire membership. Because of limited staff resources and backup analytical support, many developing countries find themselves at a considerable disadvantage in coping with the increasing scope and depth of the WTO work programme, a situation well recognized by the WTO itself. The South Centre, through a pilot project, aims to help the developing countries overcome this handicap. The South Centre, therefore, looks forward to a continuing relationship between our two organizations beyond the Ministerial Conference.

Fifty years ago, 23 countries including 12 from the developing world, agreed to a multilateral framework to exchange tariff concessions on selected industrial products. This was the beginning of the rule-base through successive rounds of trade negotiations and, finally, led to the establishment of the World Trade Organization. The WTO, today, has 132 Members and another 31 are in the process of accession. Of the present membership, 98 are from the developing world, almost three quarters of the total. Recent decades have also been characterized by a rapid growth in the volume of international trade which has greatly outpaced the growth in world output and benefited many developing countries.

These are significant achievements of the multilateral trading system.

The present occasion is not only an opportunity to celebrate achievements, it is also an opportunity to analyse the shortcomings, as only a balanced approach can ensure consolidation of the system. It is therefore an appropriate time for all of us to dispassionately assess the past achievements and shortcomings of the trading system and, based on this assessment, elaborate the broad contours of a system that reflects the aspirations and takes into account the concerns of its membership.

of places in various Uruguay Round Agreements. We should take the present opportunity to reaffirm our commitment to this crucial objective and ensure that the WTO focuses on achieving sustained economic growth and sustainable development for all, particularly the developing countries.

Secondly, the rule-based nature of the multilateral trading system should be unambiguously reaffirmed by full and faithful implementation of the existing agreements. On 1 January 1995 the WTO came into being and, with it, a multilateral trading system that is very different from and much more comprehensive than its precursor, the General Agreement on trade and Tariffs (GATT). It was the first time that the multilateral system included, in addition to tariff bindings on industrial products, market access commitments for trade in services and trade in agricultural products, provisions to protect intellectual property rights, rules to conduct international trade that covered such diverse a

on the one hand, the multilateral agenda continuously expanded to take into account the widening interests of the major developed countries and, on the other, the benefits of trade liberalization accrued unevenly to different groups of countries. The average tariff reduction in tariff rates, for example, has been steeper for products generally exported by developed countries than for products of interest to developing countries. Moreover, the escalation of tariffs in developed countries in respect of processed products exported by developing countries continues to exist.

To remove the present shortcomings and to ensure that the benefits

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a tool to the protectionist lobbies. To quote the Director-General of the WTO, "The WTO is not - and has no intention of becoming - a supranational body with the power to determine values and standards for the international community - especially in the absence of internationally agreed standards and rules."

In conclusion, widespread and equitably shared economic growth and development resulting from a rule-based and fair multilateral trading system will benefit all. In fact, the developed countries will be important beneficiaries of the economic growth and development of developing countries which will provide larger markets and better opportunities, respectively, for their products and investment. This will also lead to global peace and prosperity ensuring a truly stable framework for international relations based on mutuality of benefits.