

# WORLD TRADE ORGANIZATION

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**MINISTERIAL CONFERENCE**  
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## SINGAPORE

Statement Circulated by H.E. Mr. Lee Yock Suan,  
Minister for Trade and Industry  
(at the working session on implementation)

### A. Introduction

1. The WTO's trade liberalizing rules and commitments bring a new dynamism and stability to international trade. They seek to improve trading opportunities and to reinvigorate the rule of law in multilateral trade. The primary benefit of such an approach is the stability and security of the market access it engenders. The success of the system and the realization of its benefits, however, hinge on the full and faithful implementation of negotiated commitments.

### B. Implementation

#### Importance of implementation

2. The Uruguay Round was comprehensive. It encompassed areas that had been the subject of previous GATT rounds, introduced trade disciplines in areas which had long been resistant to reform (agriculture and textiles), and tackled new issues such as trade in services and trade-related intellectual property rights. All in all, the RoundTBT1 0 0 1 213.12 34TjETBT1 0 0 1 4949ceissues

Status of implementation

5. Four years after Marrakesh, implementation has been generally satisfactory. National capitals have been translating WTO commitments into practice, with the various bodies of the WTO providing a forum for information exchange, clarification and developing common approaches to implementation related issues. Important progress has also been made in respect of some of the so-called "unfinished" business of the Uruguay Round, such as the agreements on basic telecommunications and financial services.

6. However, much remains to be done. Problems have also arisen. A particular cause for



of, either at the GATT's creation or even now, as necessarily antithetical to the GATT. Indeed, Article XXIV is seen as permitting a supplemental, practical route to universal free trade. However, the rising incidence of RTAs poses two systemic risks:

- (a) Preferential agreements between countries tied by geography, economic outlook etc. have obvious political and economic attractions. This may detract from the impetus for multilateral trade liberalization.
- (b) RTAs are increasingly significant in terms of the political weight they bear in international negotiations. Because of their trade and investment diverting effects, there is increasing risk of economic and political rifts between regional groups. This could fragment the world into regional trading blocs.

19. Thirdly, the BIA may not accord sufficient scope for developing countries to address some of their pressing market access problems. A recent UNCTAD study notes that, despite the Uruguay Round tariff cuts, tariff peaks remain a significant market access barrier to industrial exports from developing countries.<sup>6</sup> Most peaks are concentrated in the leather, footwear, clothing and textiles sectors and range from 12 to 30 per cent. Tariffs as high as 320 per cent have also been recorded. Yet, the existing agenda of the WTO does not encompass a work programme to pursue the general goal of further liberalization of industrial tariffs.

20. It is for these reasons that Singapore is in favour of an expanded work programme for the WTO - a work programme that goes beyond the BIA.

#### Merits of a comprehensive approach

21. A comprehensive approach to our future activities has three significant merits:

- (a) It would allow Members to seek and secure advantages across a wide range of issues. Developing countries, in particular, would have a renewed opportunity to push for a balanced agenda and more equitable results.
- (b) Domestic reform in the politically sensitive areas is more likely to be tenable in the context of multilateral trade liberalization as it provides the possibility for trade-offs.
- (c) It would allow the WTO to build on the momentum of the Uruguay Round and to keep pace with the latest developments in world trade in goods and services.

#### Way forward

22. To derive maximum benefits from such a comprehensive approach, it would be important to define its parameters clearly, in particular, its agenda, modalities and timing. Singapore, therefore, supports the proposal for a preparatory process to be set up by this Ministerial Conference to consider these issues. The General Council should be tasked with preparing comprehensive options for decision by the third Ministerial Conference.

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<sup>6</sup>UNCTAD/WTO Joint Study. *The Post-Uruguay Round Tariff Environment for Developing Country Exports* 1997.

Conclusion

23. To sustain world economic growth and security, there must be a continued strong commitment to multilateral trade liberalization. This, however, raises two concomitant responsibilities on the part of trading nations. Firstly, national governments should be prepared to put into place the necessary domestic regulatory framework and infrastructure to maximise the benefits from trade liberalization. Secondly, it requires all WTO Members to be willing to collectively address problems that inhibit the trading system.

24. Singapore believes that this Ministerial Conference should lay the groundwork for a comprehensive work programme. It will provide an overall balance to and address the interests and concerns of all WTO Members. It will help to sustain world economic growth and stability in these uncertain times.

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