

WORLD TRADE ORGANIZATION

WT/MIN(98)/ST/6

18 May 1998

(98-1966)

MINISTERIAL CONFERENCE
Second Session
Geneva, 18 and 20 May 1998

Original: English

MYANMAR

Statement circulated by H.E. Major General Kyaw Than
Minister for Commerce

Mr. Chairman, allow me to congratulate you on your unanimous election as the chairman of the Second WTO Ministerial Conference. In the view of the Myanmar delegation, this Ministerial Conference is unique in character and it will serve as a milestone, particularly because it is held in conjunction with the 50th Anniversary Commemoration of the Multilateral Trade System. Your outstanding diplomatic skills and long experience in international trade affairs assure us that you will lead the deliberations of this Conference to a successful conclusion.

It may be recalled that the WTO's predecessor GATT was established some fifty years ago on a provisional basis after the Second World War in the wake of other new multilateral institutions dedicated to international economic cooperation - notably the "Bretton Woods" institutions now known as the World Bank and the IMF. During GATT's five-decade lifetime, eight rounds of multilateral trade negotiations were held to update its scope of activities which ultimately culminated in the Uruguay Round giving birth to the World Trade Organization. With the changing global economic scenario, WTO encompasses nearly all the major cross-border economic activities. However, in the past ten years from the time of launching Uruguay Round in September 1986 up to the First Ministerial Conference in December 1996 quite a number of new visions for the world trade system have come out.

Before we touch upon the two main substantive agenda items - implementation of the WTO work programme and future activities of the WTO - I would like to make a brief observation on some outstanding issues in the international trade area.

Firstly, in connection with the integration of economies, opportunities and challenges, there is a divergence of views regarding regionalism and multilateralism. The global trading system is now moving forward in two tracks - regional and multilateral. Regional trade initiatives are expanding and have ambitions to expand further. Some regional initiatives are truly gigantic, at least in perspective. Regardless of the widespread forces of "globalization" in the international economic environment, more and more countries, developing and developed alike, are stressing regional integration in various shapes and forms. To date, over 130 Regional Trading Arrangements (RTAs) have been ratified by GATT and WTO since 1948. It is widely accepted that RTAs are legal and consistent with GATT Article XXIV.

The disquiet over regionalism stems from two sources. The first is the sheer proliferation of regional trading arrangements and the second is the fear that such arrangements may become inward-looking and erect protectionist barriers. Here we have to face reality. Nowadays, most countries,

developed and developing, countries in transition and least developed countries, belong to one or more trading groups.

In the view of the Myanmar delegation, the tendency towards regionalism should not come as a surprise. Its logic is compelling. The driving force is economics. Access to neighbouring markets yields economies of scale. Costs are lowered because of proximity to and familiarity with markets. Regional integration also enables stronger competition. In part, the motivation is also geo-political. Regional groupings will be better able to withstand the pressures of an unpredictable world, especially if it disintegrates into trading blocs. In essence, they are the hedge against the uncertainties of the global economic environment.

Regional trading arrangements, in our view, should not be seen as a threat to the multilateral trading system. On the contrary, these RTAs are the building blocs of trade infrastructure. Regional trading arrangements are catalysts for a change. Myanmar as founder-member of GATT and its successor WTO, firmly believes in the multilateral trading system and trade liberalization. Our view, however, is that as long as the regional and multilateral endeavours can be reconciled and regional trade arrangements are compatible to WTO rules, the two should grow together. We need however to ensure that regional trade arrangements are complementary to and consistent with WTO rules as mentioned in Singapore Ministerial Declaration.

Let me now touch upon the emergence and rapid growth of the free trade areas all over the world. The economic reality is that the continuing momentum of global economic integration which is sooner or later followed by formulation of free trade areas, custom unions, etc. From its initial role as a consultative forum APEC has made bold plans on three fronts - trade liberalization, trade facilitation, economic and technical cooperation. The Bogor Declaration set the bold vision of a free trade area in the

However, globalizing free trade should be considered in a holistic manner. The critical issue is how we interpret “free trade”. Should it be limited to traditional border-barriers such as tariffs and non-tariff measures, or extended only to non-traditional but still border impediments such as government procurement, investment policies, trade in services, or also to “purely domestic” measures that have significant external effects like intellectual property protection and labour standards? Could globalization of free trade be effective and meaningful if some major trading partners like the People’s Republic of China, Russia and other countries remain outside WTO or regional trading groups? How do we interpret the new terminology “Open Regionalism, Trade in Borderless World, A Global Village Society”? These are some of the questions we have to address ourselves and also the challenges we have to overcome.

In the broad perspective of global trade, it would be pertinent to take a glimpse of the role of the developing countries in international trade. In the past ten years the developing countries’ contribution to the increase in nominal world trade rose from 1.65 per cent to 5.24 per cent, a much faster rate than that of industrialized countries. The developing countries also played an active role for the success of the Uruguay Round and are determined to fulfil their commitments for further trade liberalization. This success story is, however, very uneven and will remain so as long as the development and trade performance of developing countries varies considerably. Thus, the problem of fully integrating the totality of developing countries into the multilateral trading system remains very much a challenge for the international trade community as a whole.

In the view of the Myanmar delegation, integration into the multilateral trading system by developing countries can be pursued through economic and social policy measures which promote competitiveness, stimulate investment and develop human resources. The degree of a country’s integration within the international trading system can be seen in relation to its ability to (a) identify and take advantage of trade opportunities; (b) formulate and pursue development strategies within the framework of the multilateral trading system; and (c) defend the acquired trade rights. Not many developing countries currently possess the institutions or the human and financial resources necessary to effectively meet these challenges. Supportive action by international community, institutions and agencies is very much required.

Implementation of the WTO Work Programme

Now allow me to present our views and assessment on the implementation of the WTO work programme. It should be borne in mind that the important aspect of WTO activities is to oversee the successful implementation of the Uruguay Round Agreements and consolidate the attainments therein. A periodic examination and updating of the WTO work programme is a key to enable the WTO to fulfil its objectives. In the WTO Agreements and Decisions adopted at Marrakesh, we can find quite a number of provisions calling for future negotiations on different subject matters. Some are to be completed within the time frame of the Agreements. At the Singapore Ministerial Conference in December 1996, a number of working groups have been established and were given specific tasks. Based on this WTO work programme, the Myanmar delegation would like to make a brief observation on selected issues.

First and foremost is improvement in market access. We developing countries are very much concerned that there should be progressive trade liberalization and elimination of tariff and non-tariff barriers to trade in goods. The Uruguay Round Agreement has reduced the trade weighted average tariff levels in developed countries by 38 per

to global trade. In this regard, we stress our anxiety on the possibility of introducing trade distortive measures and circumvention.

Second, we have observed that progress has been made to some extent in advancing the WTO reform programme in agriculture, including implementation of agreed market access concessions and domestic subsidy and export subsidy commitments. However, future negotiations on agriculture need to be pursued.

Third, as a member of ASEAN, we attach great importance on full and effective implementation of the provisions of the Agreement on Textiles and Clothing (ATC), because the developing countries' income from the export of textiles and clothing contribute substantially to export earnings. By way of integration of trade in textiles it would be progressive in character. The Textiles Monitoring Body should be more transparent and explicit in providing rationales for its



launched.

The task before the WTO is Herculean, as it not only has to implement what has been agreed, but also resolve all pending issues and consolidate new ones. It is only then that the WTO will gain the credibility and respect of all nations. A beginning with the WTO has been made, and it is up to us to change our mindset from an internal vision to a global vision for a better tomorrow for all mankind.

Last but not least, the delegation of Myanmar would like to express its deep appreciation and heartfelt thanks to the Chairman of the Conference, the Director-General, the Chairman of the General Council, and the WTO Secretariat for their untiring efforts and for the hard work that have put in for convening the two special events.
