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WORLD BANK

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(as an observer)

On behalf of the World Bank, it gives me great pleasure to offer my congratulations to the WTO on the occasion of its second Ministerial Meeting and its 50th birthday. The first Ministerial Meeting, in Singapore, was an historic occasion, institutionalizing the resolve of the world community to push forward on strengthening the framework of international cooperation. This second conference is just as important, as members reaffirm their commitment to a broad-based and open global trading system and set in train a work program to achieve substantial progressive reductions in support and protection.

Over the past 50 years, the GATT and the WTO have built a global trading system like none seen before -- a system that links the countries of the world ever more closely, and that provides opportunities for all to participate. This system is built on simple principles like market orientation and nondiscrimination that have proved to be powerful agents for economic development and human progress.

The World Bank is proud to have been a partner with the WTO during the unprecedented era of trade liberalization that began in the 1980s. The Bank helped many developing countries to make the transition from inward-oriented development policies to the open trade policies that are consistent with WTO rules. Between 1981, when the Bank's policy-based lending began, and 1994, when the Uruguay Round was signed, the World Bank made 238 policy-based loans supporting trade or foreign exchange reform. These loans, to 75 different countries, supported developing country trade reforms affecting imports of over \$500 billion in 1993.

At the same time, complementary progress was occurring at the multilateral level. The liberalization achieved in the Uruguay Round increased global real incomes by around \$200 billion, and just as important were the Round's achievements in improving the rules of the trading system. The (re)inclusion of agriculture, and the inclusion of a framework for services liberalization provide the scope for enormous gains in the future. The extent to which these gains are realized depends heavily on the decisions reached at this and the next Ministerial meeting, and on the hard negotiations that will inevitably follow.

The three major agreements reached since completion of the Uruguay Round show the dynamism of the WTO system. We are particularly pleased to have been able to help developing countries directly in the preparation of their offers on telecoms. The Information Technology Agreement showed the

