

STATEMENT BY H.E. MR. MAKARIM WIBISONO, AMBASSADOR/PERMANENT REPRESENTATIVE OF INDONESIA ON BEHALF OF THE GROUP OF 77 AND CHINA, BEFORE THE HIGH-LEVEL SEGMENT OF ECOSOC ON AGENDA ITEM 2: "MARKET ACCESS: DEVELOPMENTS SINCE THE URUGUAY ROUND, IMPLICATIONS, OPPORTUNITIES AND CHALLENGES, IN PARTICULAR FOR THE DEVELOPING COUNTRIES AND THE LEAST DEVELOPED AMONG THEM, IN THE CONTEXT OF GLOBALIZATION AND LIBERALIZATION"

New York, 6 July 1998

Mr. President,

Let me begin, on behalf of the Group of 77 and China, to express our deep appreciation to Mr. Rubens Ricupero, the Secretary General of UNCTAD for his informative and lucid introductory remarks which has contributed in laying the necessary groundwork for the success of our deliberations on the important theme of this High-Level meeting on market access developments since the Uruguay Round: implications, opportunities and challenges, in particular for the developing countries and the least developed countries, in the context of globalization and liberalization.

It is of particular interest that 50 years after the birth of the multilateral trading system, ECOSOC, which initiated the recommendation that led to the establishment of GATT, will once again take the lead in addressing the core economic issue on market access, a central issue for the developing countries. The Group of 77 and China has always believed that the Council should provide the capacity, credibility and credentials for us to effectively address core economic and social issues. Thus, with regard to this year's theme in the High-Level Segment, we are convinced that ECOSOC can provide the necessary political impetus to the work of the WTO and of UNCTAD on the issue of market access. It is such impetus, taken together with the focus on market access, that will constitute the specific value added to this year's High-Level Segment.

The Group also welcomes the Secretary-General's report, prepared jointly by the UNCTAD Secretariat and the World Trade Association (WTO) Secretariat. We regard the report as a comprehensive background and analysis that should prove very useful for our deliberations on this critical issue at the High-Level meeting. Indeed, our discussions on this theme at the high-level meeting of ECOSOC will certainly give our decisions and recommendations more weight and credibility. In general we can agree with the report that the Uruguay Round of Multilateral Trade Negotiations has resulted in a more open, rule-based and predictable multilateral trading system and significant improvements in conditions of market access. Regrettably, as is also clearly demonstrated by the report, tariffs and other traditional barriers to market access remain an issue in a wide range of sectors, many of which are of particular export interest to the developing countries as well as the LDCs.

In terms of development and eradication of poverty, international trade can play an enormous and powerful role as an engine of growth. But, if the majority of the world's people in the developing countries are to benefit from the system, market access, among other things must be assured. That is why the Group of 77 and China have, for long, been committed to the multilateral trade agreements. And, that is why we fully support the multilateral trading system today and that is why we call upon the developed countries to join us in partnership to fully implement the commitments undertaken in the Uruguay Round.

As noted in the Secretary-General's report contained in document E/1998/55 there has been significant improvement in market access since the Uruguay Round was adopted. Moreover, many countries on the 50th anniversary of GATT last May, reiterated the important contribution of the GATT and its successor, the WTO, in encouraging open trade and in dismantling tariff and non-tariff barriers over the past half-century. The

Group remains fully committed to this international trading system today despite the far-reaching implications that are associated with the commitments. We see the future as a world of global free trade in which all must participate on an equitable basis and in which liberalized trade will function as a key element in promoting development and the eradication of poverty. Our central challenge at this High-Level session is to identify the key obstacles and problems faced by the developing countries in the area of market access. And, it is also important that we seek to strengthen the capacities of the developing countries to implement their obligations under the Uruguay Round agreements.

In this context, the Uruguay Round represents a major milestone in the efforts to gain market access for the products of the developing countries. While multilateral trade liberalization has been pursued since the establishment of GATT 50 years ago, it was not until the completion of the Uruguay Round and the advent of the phenomenon of globalization that a significant leap forward was achieved. As a result significant improvements have taken place, numerous tariffs have been reduced and quota obstacles removed.

Yet, while these advances are impressive, the current chapter of trade liberalization is an uneven one and faces major challenges that continue to block our major objective of achieving an open and rule-based multilateral system. For one, the implementation of the Round remains substantially incomplete with many key areas of the Round of particular interest to the developing countries left unimplemented. These include to a large extent such crucial areas as exports of particular importance to the developing countries including those sectors where substantial tariff liberalization has been achieved and sectors characterized by dynamic export growth. This reflects the fact that in the Uruguay Round certain countries offered only small tariff reductions or none at all for some sensitive products. In addition, not all developing countries are able to take advantage of the trading opportunities offered in the globalized world.

Mr. President,

One of the persisting problems that continues to plague the economies of the developing countries in their efforts to implement the Uruguay Round is a lack of technical ability of the developing countries, particularly the least developed countries, which is compounded by the chronic external debt problems and supply-side factors facing the LDCs. In this regard, while appreciating the efforts undertaken so far, we urge UNCTAD and the WTO to continue to provide the necessary technical assistance to those countries in need. We are also dissatisfied with the progress made in the application of the provisions on special and differential treatments for the developing countries. Therefore, we urge that the commitment should be strengthened and concrete action taken on these essential provisions. The Group of 77 and China welcomes the initiatives taken by the WTO in cooperation with other agencies to implement, in an integrated manner, the Plan of Action for the Least Developed Countries held in Geneva in October 1997.

Of no less importance is the problem of measures taken by some members which may not violate the letters of the Agreements but are clearly in contravention with their spirit. For example, the contingency measures such as the cases of transitional safeguard measures, unilateral rules of origin and back-loading in the implementation of the agreement on textile and clothing which have delayed the benefits for exporters. Therefore, developed importing countries should faithfully adhere to the spirit of fully integrating the textile and clothing sector into the system. Moreover, the abuse of anti-dumping provisions is another clear example of the problems of implementation that should be speedily resolved. Hence, WTO members should demonstrate their political willingness to abide not only by the letter but also by the spirit of the Uruguay Round agreements. A more notable example of the violation of the agreements is the use of discriminatory trade action and the extra-territorial application of national legislation against the developing countries. This must be totally rejected. With this in mind the Group of 77 and China also reject the use of any protectionist measures and agree to work together in UNCTAD, the WTO, the IMF and the World Bank to improve the coherence of international economic policy-making with a view to maximizing the contribution that an open, ruled-based trading system can make.

Another issue among our unfulfilled objectives that we should try to pursue is that of making the multilateral trading system truly universal. Therefore, as a matter of principle, the developing countries have always supported countries wishing to accede to the WTO agreements. We are also of the view that the acceding countries should not be asked for higher levels of commitments beyond those made by countries which had joined the Organization earlier. We hope that all pending processes for accession could be completed as soon as possible.

While firmly committed to the multilateral trading system and fully supportive of the aim to make the system universal, the developing countries also recognize the crucial role played by the regional trading arrangements. It is our considered opinion that the two are not mutually exclusive and should be complementary to each other. In fact the regional trading arrangements could represent constructive building blocs for a solid multilateral trading system. This presupposes that the regional trading arrangements should be fully consistent with the principles and rules governing the multilateral trading system and that they maintain the basic tenet of open regionalism, so that others may also benefit from the arrangements. On the other hand, the multilateral trading system could also learn from the positive experiences gained by regional trading arrangements.

Now that the phenomenon of globalization has been with us for quite some time, one lesson that has been learnt is that, while it brings about opportunities and challenges, benefits and risks, it is essentially a blind force which does not distinguish between the strong and the weak. Therefore, trade, which could serve as an effective instrument in the management of globalization, must minimize all negative aspects and maximize the benefits to be shared equitably by all. This is the most important challenge of the WTO in the near future.

Before concluding, I would just like to underline the fact that the liberalization of trade is not only an international challenge, but also necessitates a global commitment. I would now like to submit herewith the position of the Group of 77 and China on the issue under discussion.

Thank you, Mr. President.