



WTO MINISTERIAL CONFERENCE HIGHLIGHTS

11 DECEMBER 1996

Delegates to the first biennial Ministerial Conference of the WTO heard thirty-six Ministerial statements in Plenary during the morning and afternoon. Heads of delegations met briefly and informal consultations dealt with outstanding issues, assisted by consultations conducted in closed session by the MC chair and the WTO Director-General. A drafting session convened at 22:30.

GENERAL STATEMENTS

Several countries spoke of the need to fully implement the Uruguay Round agreements. A number of countries stressed that introduction of new issues is premature when implementation of existing agreements is currently insufficient. SRI LANKA said it is imprudent to overload the WTO's work programme with issues that fall under the mandate of other international organizations, so the WTO should strengthen its cooperation with these organizations. BOTSWANA urged acceleration of Uruguay Round commitments to cut tariffs, particularly those applied to products of importance to developing countries. SPAIN stated that the negotiations starting in 2000 must ensure strict compliance with the Marrakesh commitments.

MALAYSIA noted a need for streamlining notification requirements, which BRUNEI said impose a serious burden on small countries. SURINAME stressed the importance of deriving benefits from natural resources. TOGO called for special treatment for LDCs using the dispute settlement mechanism. COSTA RICA said the dispute settlement mechanism provides greater certainty in trade relations.

A number of observer countries described the market conditions and economic activities and reforms their governments are undertaking and expressed eagerness to accede to the WTO. Several countries, including the REPUBLIC of KOREA, MALTA and GREECE, said the process of accession should be expedited. SUDAN called for acceleration of the accession process for LDCs. CROATIA called for evaluation of each acceding country based on their differing levels of development. MONGOLIA called on the WTO Secretariat to assist acceding countries with training and technical assistance. The GAMBIA called for unrestricted participation of all nations irrespective of their sovereign choices, adding that Chinese Taipei should be able to join.

ECUADOR said that the trade and environment issue should receive priority in the immediate future, but environmental protection measures should not be used as a pretext for protectionism in developed countries. MALTA supported the work of the CTE and stressed that free trade should not jeopardize the rights of future generations to

inherit a healthy environment. BRUNEI called for addressing environmental concerns in a manner that does not undermine market access. BOTSWANA noted that the discussions within the CTE thus far have focused on a rather one-sided examination of environmental effects of industrialization, whereas the linkages between trade, conservation and natural resource management should also be examined. GREECE said the work of the CTE should aim toward setting binding and transparent rules on trade measures in MEAs. MALAYSIA said the indiscriminate use of labeling schemes undermines developing countries' exports.

GREECE recommended that Members discuss what the rules of competition should achieve in order to consolidate progress already made by UNCTAD and OECD. EGYPT supported UNCTAD's work on competition policies. LESOTHO highlighted the need for international obligations to share and exchange information on anti-competition practices and for clear multilateral rules to address these, with a consultation process preceding any decisions.

COSTA RICA has co-sponsored a proposal regarding WTO consideration of investment. GREECE, the REPUBLIC of KOREA and ROMANIA supported the initiation of discussions on investment within the WTO. TRINIDAD AND TOBAGO and UGANDA recommended further study and LESOTHO called for enhanced dialogue among Members prior to launching formal negotiations. BRUNEI also supported further study, along with UNCTAD, to ensure that the interests of developing countries will not be subordinated. EGYPT stated that an analysis should be conducted by UNCTAD, which could serve as a basis for WTO future work. MALAYSIA supported an educative process in the WTO regarding investment, provided it does not lead to negotiation. TOGO said Africa is marginalized in terms of investment and supported action in this area. SPAIN said a stable multilateral framework could stimulate investment flows.

BELGIUM supported WTO action to promote core labor standards, stating that such action should be multilateral and incentive-based and linked to improved aid for developing countries, allowing affected countries time to adapt. ECUADOR and TRINIDAD and TOBAGO said it is not appropriate to deal with labor issues in this forum. MALTA, LESOTHO, MACAU, UGANDA and TOGO said this issue can be most effectively discussed within the ILO. SPAIN and BELGIUM expressed regret that the Director-General of the ILO was not invited to speak here. MACAU and UGANDA stated that the introduction of labor standards would have a negative impact on developing countries' development. MALAYSIA rejected any attempt to discuss a social clause in the WTO.

SINGAPORE emphasized the importance of concluding negotiations on basic telecommunications services and ITA for safeguarding

the credibility of the WTO. Singapore will further improve its offer to introduce competition to its telecommunications industry in the year 2000, two years ahead of its existing offer. GREECE said the ITA should be balanced, include tariff and non-tariff barriers, and include the maximum number of countries.

SRI LANKA called for careful monitoring of the impact of the agriculture agreement on net food-importing countries. PARAGUAY called for immediate initiation of preparations for negotiations on agriculture. The FAO discussed the outcome of the World Food Summit, including the recommendation that agricultural and trade policies foster food security.

BELGIUM, SRI LANKA, the REPUBLIC of KOREA and NEPAL stressed the need to integrate LDCs into international trade. GREECE and the REPUBLIC of KOREA supported the Plan of Action (POA) and the latter plans to increase bilateral technical cooperation for developing countries. UGANDA and NEPAL expressed hope that the POA would be endorsed at this conference. MALTA, UGANDA and BOTSWANA called for increased technical aid to assist LDCs in fulfilling their commitments. LESOTHO stated that the commitments made by industrialized countries to improve market access for LDCs and to increase ODA have not been fully realized. TRINIDAD and TOBAGO noted that technical assistance to LDCs is insufficient and seeks more to assist them in meeting their WTO commitments than to provide them with the means to exploit opportunities created by trade liberalization.

IN THE CORRIDORS I

There has been grumbling in the corridors over a lack of transparency in the MC proceedings. Official negotiations have taken place in the Heads of Delegations (HOD) room. But according to some, as in Geneva where "Green Room" sessions bring together key delegations to work on tough issues, a large number of parallel informal negotiations are leaving the HOD participants out of the real action. Delegates, particularly those from small and developing countries, have complained that they often do not know where substantial negotiations are taking place or where the current battle lines are drawn until the Chair brings the results of informal meetings back to the HOD.

According to some delegates, there was agreement in Geneva to conduct the MC negotiations in a transparent manner. However, some say the key players on some issues quickly became disillusioned with the HOD process because it was slow (countries have not tended to speak through "bloc" representatives and many wanted to speak) and, since it included all Members, it revealed substantial disagreement on most issues. A "pre-cooked" solution from the informal sessions, they say, turned out to be easier to reach and less likely to face opposition once introduced to the HOD. Observers say that this leaves the HOD participants with little to do beyond acting as a "thermometer" by which key countries can gauge reactions to the solutions brokered elsewhere.

IN THE CORRIDORS II

Some have suggested that discussions in Singapore can be viewed on two different planes. On the surface, and drawing the excited attention of media and NGOs, are the negotiations on the text of the Ministerial Declaration (MD). Some note, however, that the MD has no legal force and its real power is drawn from the underlying tensions its "heavily coded language" seeks to span. Debates at this level are expected to be the starting point for future substantive negotiations. Agriculture, for example, has been the subject of wide-ranging disagreements that centered on whether the MD text on implementation should include specific reference to agriculture and if so, what it should say. These disagreements mirror much deeper divisions, however. Observers note that none of this was at issue in earlier negotiations on the draft MD in Geneva, where there seemed to be agreement on the "harmless" nature of the draft text until shortly before the delegations headed to Singapore. Some suggested that consensus unrav-

elled when Argentina decided to insist on strong language, mentioning an early beginning to discussions on the round of negotiations on agriculture in 1999. The underlying issue is the tension between those who would like to see further liberalization of the sector and those who would like to maintain their comprehensive support programmes. The two groups reportedly have differing interpretations of the 1999 date. The former is said to interpret this to mean work should begin now, so that negotiations would commence on the target date, and the latter maintains that no work should begin before 1999. The wording of the MD could provide support for one position or the other and is therefore seen as key by both sides.

IN THE CORRIDORS III

With the G-15 leading high-profile resistance to the WTO undertaking work on core labor standards, key supporters of the initiative are reported to have been attempting to reassure developing countries that any inclusion of the issue will effectively "ring fence" and help to limit the Organization's claim to competence. Many developing countries insist that the ILO is the only appropriate forum for discussion of the issue. One head of delegation described labor as the MC's "most contentious" issue. By focusing on the human rights dimension of labor rights, specifying what will not be on the WTO agenda (trade sanctions, coercive measures, the loss of comparative advantage enjoyed by low wage economies), and asserting the primacy of the ILO, proponents say they hope to signal a restricted approach that, *inter alia*, contrasts with "worrying tendencies" in some other trade agreements, including North American Free Trade Agreement (NAFTA).

A working draft from the MC Chair joined a number of proposed compromise texts for discussion Wednesday night. The newest text reportedly refers to the Copenhagen Declaration on Social Development, primacy of the ILO, the contribution of economic growth and development to promoting labor standards, and support for labor Ministers' work in the ILO. The text rules out the use of restrictive trade measures. If the compromise text, which some say was designed to supersede a stronger proposal from Director-General Ruggiero, fails to placate opponents of any reference to core labor standards in the Ministerial Declaration, some have suggested the issue may be addressed in the Chair's summary of proceedings at the conclusion of the MC instead. A number of supporters strongly rejected this option.

IN THE CORRIDORS IV

The US is reportedly attaching prime importance to securing an Agreement on Information Technology here in Singapore. Delegates noted that progress in other areas of negotiations had received less attention as a result. So anxious is the US delegation to bring home an ITA, observers said, that the negotiations held Wednesday included items that many would not include in the category of information technology. These reportedly ranged from audio discs and pre-recorded material to paper, spirits and wine. Most observers do not expect all such items to be in the final agreement, however.

THINGS TO LOOK FOR TODAY

PLENARY: The Plenary will continue to hear general statements from 9:30 to 13:00 in the Suntec Centre.

NGO WORKSHOPS: The following meetings will be held in the NGO Centre: NGO briefing, hosted by ICTSD/TWN from 9:00 to 10:00; WTO and LLDCs, hosted by Christian Aid from 10:00 to 11:00; Trade and Development, hosted by SCDO/CUTS/ICTSD/CA from 10:30 to 13:00; Equity and the trading system, hosted by TWN from 15:00 to 17:00; and Eco-labelling, hosted by CIEL/WWF/SIER-RA/NWF from 15:00 to 19:00.