



WTO MINISTERIAL CONFERENCE HIGHLIGHTS

12 DECEMBER 1996

Delegates to the WTO MC heard thirty-four statements during morning and afternoon Plenary meetings. Consultations on the ITA were completed. The heads of delegations met during the night to consider the labor issue, the last outstanding matter. In addition, the Director-General and Singapore signed an agreement on a joint training programme for developing countries.

GENERAL STATEMENTS

Several countries emphasized that consolidation of the Marrakesh agreements should be the primary goal of the WTO. A number of speakers noted national efforts to implement the Marrakesh agreements.

SLOVENIA stated that the WTO needs to foster a deeper public understanding of its role. CHINA noted that a few major players have dominated the multilateral decision-making process and exert pressure on others to introduce issues irrelevant to trade. Numerous countries recommended that the WTO avoid overloading its agenda with matters that legitimately belong to other multilateral institutions. SOUTH AFRICA called for cooperation and consultation between WTO, UNCTAD and related organizations and said their failure to cooperate is a primary reason for the failure of multilateral organizations to promote development.

VENEZUELA and NAMIBIA highlighted the improvement of the dispute settlement mechanism as a substantive success. DOMINICA stated that the present dispute settlement system has proven unfavorable in regards to the participation of small and institutionally weak Members.

BAHRAIN noted that the "considerable amount of unfinished business on the peace front" impedes progress toward global prosperity. BURUNDI stated that embargoes are a negation of the multilateral trading system. NIGERIA called on the MC to consider a declaration against the use of unilateral actions with extraterritorial effects. KENYA said the WTO Secretariat should reflect the geographical representation of the WTO membership.

CHINA stated that political considerations and excessive demands for immediate commercial benefits have slowed down accession. He also noted that the scope of some accession negotiations has exceeded WTO provisions and has sometimes been used as a pretext to undertake "inclusive review of economic and trade regimes" of applicants. JORDAN noted that acceding countries are being asked to give more concessions than what is provided for in the Uruguay Round

agreements and this could delay accession. POLAND supported accession as soon as applicants are willing to accept the terms of WTO membership. ALGERIA said that simplification of the application process for developing countries should be considered.

MADAGASCAR stated that integration of LDCs is the main challenge to the globalization of trade. MOZAMBIQUE stated that LDCs are overwhelmed with implementation of the Marrakesh agreements and, rather than a rush to introduce new issues, "gradualism" is required. DOMINICA said that due to a lack of resources many developing countries were unable to actively participate in the Uruguay Round and therefore accepted a text negotiated by others. These countries are now grappling with the implications of their commitments and tangible benefits have been difficult to identify.

BAHRAIN called for technology transfer and direct investment to enable developing countries to become internationally competitive. ZAMBIA and CYPRUS called for financial resources and technical assistance to assist LDCs in meeting their obligations. SWITZERLAND noted that technical assistance needs exceed WTO capabilities and called on development agencies to collaborate in supplementing this assistance. Several speakers said the technical assistance to developing countries provided for in the Marrakesh agreement has not been forthcoming.

ST. LUCIA noted that a number of countries that are small or dependent on single commodity exports also have difficulties competing in the global economy and require special attention. The MALDIVES asked what the WTO has to offer if a single-product exporter has problems and stated that if the WTO is to remain relevant, it must create market opportunities for LDCs. SENEGAL called for the simplification and reduction of notification requirements.

SWITZERLAND emphasized the importance of concluding the agreement on basic telecommunications. TAIPEI supported the ITA and recommended flexibility for some Members and broad-based participation in the process of liberalizing information technology trade.

POLAND noted that consideration of trade and environment was more controversial than expected and, with PERU, supported continued work by the CTE. SWITZERLAND said the consistency of MEAs with the WTO must be ensured and, with NIGERIA, called for closer coordination between trade and environmental policy makers. The COTE D'IVOIRE expressed concern that environmental measures would lead to protectionist measures or conditionalities. KENYA said the proliferation of eco-labelling schemes has raised concerns about market access and developing countries will need technological and financial assistance to conform to their requirements. NIGERIA noted that poverty is the most significant cause of environmental degradation and trade liberalization will yield environmental dividends. He called

for positive measures, such as increased market access and transfer of environmentally-sound technologies, rather than restrictions.

HONDURAS expressed concern that the agricultural sector is not fully integrated into the multilateral trading system and that sanitary and technical restrictions are applied. HONDURAS also noted that the agreement on textiles and clothing has not been strictly implemented and said the Textile Monitoring Body should be impartial and transparent. KENYA said he saw no immediate benefit accruing to developing countries if the textile products they export are integrated only in the final phases of the transition period.

SWITZERLAND advocated the development of a multilateral framework for investment. The COTE D'IVOIRE said the WTO could be an educational forum on investment and could eventually consider an international treaty if all agree. PERU supported a study, especially as it relates to the simplification of technology transfer. VENEZUELA supported an analysis in close cooperation with UNCTAD. NAMIBIA suggested further study, primarily by UNCTAD in consultation with relevant international agencies. MADAGASCAR supported the active involvement of the WTO. CAMEROON supported a discussion but stressed that the development aspect must be emphasized and, together with CHINA, said developing countries must be fully involved. MYANMAR called for attention to Members' national policies and investment laws when studying and drafting a multilateral agreement. ST. KITTS and NEVIS said an investment regime that does not provide for differential treatment of small fragile economies might not be considered appropriate or equitable. PAPUA NEW GUINEA stated its strong reservation regarding a WTO investment agreement because it would push them into the vicious spiral of aid dependency. MALAWI stated that attempts to harmonize investment policies would impede Members' ability to achieve national priorities in their development strategies.

ST. KITTS and NEVIS said it lacks the institutional capacity and resources to undertake the additional commitments a competition policy in the WTO would involve.

The SLOVAK REPUBLIC noted that a working party already exists in the ILO to examine the relationship between trade and labor standards. ZAMBIA, VENEZUELA, MYANMAR, NAMIBIA, SENEGAL and MALAWI said the ILO is the proper forum to discuss this issue. MYANMAR said that linking labor standards and trade would be detrimental to the effective functioning of the WTO. GUATEMALA rejected any initiative that tries to use labor standards for trade pressure. VENEZUELA stated the WTO should not institute instruments to enforce compliance with labor standards. SWITZERLAND reaffirmed that protectionist measures should not be used and said the WTO should "reflect" on this issue in close cooperation with the ILO.

IN THE CORRIDORS I

NGO participants reported that the launch of a critical WIDE (Network Women in Development Europe) report that examines world trade agreements from a gender perspective, together with a statement by the women's caucus at the MC, led within hours to informal discussions with a senior member of the WTO Secretariat. Activists from trade unions and NGOs participating in the women's caucus had complained that the Ministerial Conference failed to take on board recommendations from the UN's Fourth World Conference on Women that policy formulation, decision-making, and implementation of policies take account of gender sensitive analyses. The women's caucus said this should include monitoring the impact of trade liberalization on women, notably those in the LLDCs and in low-paid employment. After the informal discussions the WTO Secretariat was reported to have conceded that the gender issue is "something new" to them, but one they are prepared to pursue. NGO experts are now expected to press the Trade Policy Review staff to incorporate gender sensitive methodology in the preparation of their country trade reviews.

IN THE (NGO) CORRIDORS II

NGOs issued several joint statements on Thursday. The *NGO Statement on Transparency and Participation in the WTO*, a call for greater openness that was signed by a coalition of public interest NGOs, was to be transmitted to WTO Members Friday. It calls for increased NGO participation and consultation in WTO meetings, including the Trade Policy Review and dispute resolution mechanisms. It also calls for increased access to WTO documents. In another joint effort, four environmental NGOs issued an open letter to the Director-General of the WTO, in critical response to his opening Plenary speech, and attached a critical assessment of the two years' work of the Committee on Trade and Environment.

On another note, NGOs reported they were refused permission to take the floor during Friday's Plenary to thank their Singapore hosts for setting a new standard in providing for their needs. NGOs contrasted the outstanding facilities in the NGO Centre, including e-mail and Internet access, with the limits placed on their access to official proceedings. Some understood that at one stage in the preparations for the MC there was a proposal to exclude NGOs from the Suntec Center altogether, before their access to floors 1 and 6 was granted.

IN THE CORRIDORS III

Informal sessions in the early hours of Thursday morning reportedly produced a near-final text on investment and competition. Sources say meetings of 40 or so key countries, of which India was one, agreed on a statement that rolled the two issues together. According to reports, India had previously been a key opposing force to such agreement, but support for its position on investment began to erode Wednesday when Malaysia softened its stance, and further weakened on Thursday when a number of African supporters did the same. Observers said the text calls for WTO working groups to further explore each issue and recognizes the value of UNCTAD's ongoing work. Delegates said the draft, as of Thursday afternoon, contained two strong statements that any working group analysis would not lead to negotiations without the explicit consensus of Members. The text was taken into HOD meetings Thursday night, where it was expected to face little substantial opposition.

IN THE CORRIDORS IV

Delegates agreed Thursday to include in the Ministerial Declaration text on what some have described as the biggest trade agreement since the Uruguay Round. The ITA was reportedly concluded, and some said the expected signatory countries represent approximately 85 percent of world trade in IT products. The product coverage for the agreement reportedly includes capacitors, digital photocopiers, fibre optic cables, computer monitors and software, telecommunication equipment, graphic display tubes and semi-conductors. All computer software is included save for software carrying sound recordings and films. The agreement is anticipated to remove existing non-tariff barriers and deter new ones. Some reported that a side agreement linked to the EU-US agreement covers brown and white distilled spirits and liquor. Some expressed the concern that developing countries may be pressured by developed countries to accede to the ITA, which they played little part in drafting. Some developing countries have said that their demands for staged implementation have not been adequately taken into consideration.

THINGS TO LOOK FOR TODAY

PLENARY: The closing Plenary is expected to meet sometime today.

NGO BRIEFING: A briefing sponsored by ICTSD and TWN will meet from 9:00 to 10:00 in the NGO Centre.

Look for the summary issue of Sustainable Developments at <http://www.iisd.ca/linkages/wto/> on Monday 16 December.