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LAO PDR

Statement by H.E. Mr. Siadsavath Savengsuksa Vice-Minister, Ministry of Commerce and Tourism

(As an Observer)

The Director-General of the World Trade Organization, Mr. Mike Moore, has pointed out more than once since his appointment that the least-developed countries are not enjoying fully the benefits of the global system of open trade. The Lao People's Democratic Republic sees itself as one of those economies. Per capita income in Lao PDR is US\$350. Three quarters of our people work in subsistence in rural areas. Infrastructure is weak. Trained human resources are scarce.

The Lao PDR endorses the calls by others for this round to meet the needs of developing countries. This requires undertakings made in the Uruguay Round to be fully implemented and for this round to focus on core issues. Non-trade issues such as labour standards and environment should be addressed in the appropriate international institutions, not the WTO. The provisions of greater access in world markets for the products of developing economies is the single most important thing the WTO can contribute to improvement of the standards of living of the people of the developing world.

Lao PDR has applied to join the World Trade Organization so it can fully integrate into the global trading system. The Government of the Lao PDR regards membership of the WTO as a necessary step in the process of modernizing its economy. The strategy of the Government is to build growth and prosperity with a market-based economic system.

The aim of the Lao PDR is to complete accession in time to participate in the latter phase of the multilateral round of trade negotiations which governments have gathered here in Seattle to launch. We expect changes will be made to world trade during that round which will be very important to the Lao PDR.

Lao PDR expects to secure economic benefit from accession to the WTO. Lao PDR expects that adoption of WTO rules and obligations will lead to a more productive private sector, higher levels of foreign investment and a better functioning market mechanism.

Lao PDR also expects tangible trade benefits from membership. Lao PDR values the right to non-discrimination which membership of the WTO provides. Because the Lao PDR is not a member of the WTO it is not entitled to non-discriminatory treatment of its exports by other countries.

Lao PDR has export interests where membership of the WTO can deliver better opportunities in foreign markets. Garments are an important export from the Lao PDR. The capacity of our garment manufacturers to export is restricted by trade barriers in major import markets. Lao PDR is aware that long term liberalization of world garment markets through the WTO will create better export opportunities.

Agriculture is also an important export sector for Lao PDR. Many barriers exist to exports of agriculture. Like in garments, Lao PDR is aware that liberalization through the WTO will create better export opportunities.

The Lao PDR is also a landlocked country. Freedom of transit through third countries is vital for Lao PDR trade. The right of freedom of transit which is provided by WTO rules will be very important to the Lao PDR.

We are aware that to join the WTO we will have to align our laws and practices to WTO standards and introduce some new laws. We will have to eliminate non-tariff barriers, reform import licensing, bind tariffs and introduce new laws for intellectual property and services.

This is a large task. Accession to the WTO will challenge the capacity of a Lao PDR institutions and capabilities. The Lao PDR has received support from a number of countries and organizations for preparation for accession. And today I would like to record formal appreciation for that support.

For its part, the Government of the Lao PDR is committed to take the steps necessary to accede. The Lao PDR is already midway through a comprehensive review of laws and decrees. We can incorporate changes to meet WTO requirements into that process of review.

The Government of the Lao PDR is committed to building growth and prosperity in a market oriented economy. I repeat that we recognize that membership of the WTO will support that goal. We are a least-developed country and we therefore ask for just one thing from Members of the WTO as we proceed through the accession process. We respectfully request that they recognize the very real constraints which our limited human resources impose on our capacity to adopt and operate complex administrative arrangements.

In conclusion I would like to urge the Members of the WTO to show the necessary flexibility to agree on a successful launch of this trade round. The opening of world markets to exports from developing economies, in particular least-developed countries, which can be achieved in this round would give very valuable support to our efforts to improve the standards of living of our people.
