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Statement by the Honourable Josef Bonnici Minister for Economic Services

May I start by expressing the deep gratitude of myself and of my delegation to the State of Qatar for hosting the Fourth WTO Ministerial Conference. We are impressed by the preparations carried out by our gracious hosts, particularly given the difficult international environment we are currently experiencing. Yet another proof that small countries have an important role to play in international relations. not least the negotiations for the next trade round.

I would also like to avail myself of this opportunity to thank Mr. Mike Moore, the Director-General of the WTO and Ambassador Harbinson, Chairman of the General Council, for their tireless efforts to forge an agreement notwithstanding all odds. I am confident that the Fourth WTO Ministerial of Doha will produce the results we all sincerely hope for.

Malta is a small State, located in the centre of the Mediterranean sea. Given its central location in one of the world's busiest trading regions and its relatively small economy, Malta has, for centuries, been a willing participant in the international trading system. This has resulted in widespread recognition in Malta of the important contribution that such internationally generated activity provides to the generation of national wealth.

Malta is in favour of the further liberalization of trade. Within this spirit, in recent years Malta embarked unilaterally on a process of gradual tariff reductions on a wide array of products.

We believe that the world has come of age to launch a new comprehensive trade round: a round that is characterized by a balanced agenda; a round that fully reflects the interests of all Members; a round that would promote wealth and prosperity to all the peoples of the world. Only a comprehensive, broad-based agenda could provide the necessary negotiating environment for such an achievement.

We understand that one cannot have everything one wishes and that one may have to accept certain compromises on certain issues for the benefit of better overall results. We must also undertake a medium-term perspective if we want to make the quantum leap we all wish to make. In this regard, Malta welcomes and supports the draft Ministerial Declaration that has been transmitted to us here, which presents a good basis for further negotiations.

The task ahead of us is not easy and the decisions that we will take in the course of our negotiations will influence generations to come. And it is exactly our decisions that will give further credibility to the WTO. The tragic events of 11 September 2001 showed how vulnerable all of us are even economically, for given our increasing interdependencies, we all feel some repercussions to events that take place elsewhere.

These sad events should unite us in our efforts to make the right decisions; only rules common to all can provide an environment for trade that is predictable, that is stable, and that is non-discriminatory.

I would like now to elaborate on some specific issues that are important for my country.

We support comprehensive tariff negotiations with the objective of reducing tariffs, removing all tariff peaks and harmonizing the tariff structures across non-agricultural products. Malta is a small open economy with its levels of both imports and exports of goods and services each exceeding 100 per cent of GDP. Hence, what we are submitting is done with conviction, knowing the benefits reaped by courses that embrace global competition. We believe that an orderly trade liberalization presents great opportunities as it lays the foundations for greater economic growth, while facilitating investments innovation and technology transfer.

Moreover, given the increasing importance of services in international trade links and being a services-oriented economy itself, Malta agrees that there is the need to implement additional initiatives in this sector since this should serve to modernize economic structures and boost economic growth.

Malta also appreciates the initiatives intended to examine issues relating to trade of small economies, electronic commerce and the relationship between trade, debt and finance.

It is also our belief, that in order for a new round to be truly effective it should include negotiations dealing with the introduction of rules in areas such as investment, competition and trade facilitation. A multilateral framework dealing with international investment flows should provide a strong basis for the creation of a more stable and productive international business climate.

We believe that the pending implementation-related issues should also be thoroughly considered and effectively addressed. In this regard, Malta fully supports measures intended to provide additional technical assistance to developing nations in order to ensure the proper degree of capacity building. In our small way, we would also be willing to help in this area.

Moreover, any additional trade liberalization measures should promote a sustainable mode of development that takes due consideration of environmentally related issues.

With respect to agriculture, although the sector only produces 2.5 per cent of Malta's GDP, when taken at face value the raw numbers do not paint an accurate picture of either the socio-cultural nor the environmental importance of this sector. As a net-food-importing country, Malta must stress and underline the importance of non-trade concerns to its domestic agricultural sector. Malta strongly favours a multifunctional approach to dealing with this sector, one that acknowledges the specificities of different countries and regions and the different forms of contribution that agriculture provides to socio-economic structures and development.

Malta also calls for the maintenance of special safeguard clauses and the peace clause as well as the need to continue providing assistance to the sector. Moreover, our assessment is that the amber box category should not be eliminated for this might create unjust additional instability. From Malta's perspective it is very difficult to envisage and agree in the foreseeable future to a scenario where subsidies in agriculture are completely eliminated.

We would also like to register Malta's support to extend the TRIPS Agreement to include protection on geographical indications and cover products other than wines and spirits.

We feel that it is also timely for the WTO to take up the environmental challenges and address and clarify the relationship that exists between trade and environment.

Speaking as a politician, directly elected to Parliament by my fellow citizens, I attach importance to the legitimate concerns expressed by our respective civil societies. Our achievements will never mean anything if we do not take into account the presence and the contribution of our civil society, in this regard, this year the Malta Council for Economic and Social Development (MCESD) was established in Malta in order to give civil society wider involvement in the debate concerning national development.

Finally, I take this opportunity to congratulate the accession to the WTO of the new Members and in particular that of the People's Republic of China. Such membership will clearly help to provide new perspectives in shaping the global trade agenda for this century.

I look forward to the successful outcome of these negotiations. I thank you for your kind attention.
