

WORLD TRADE ORGANIZATION

WT/MIN(03)/ST/86
12 September 2003

(03-4885)

MINISTERIAL CONFERENCE
Fifth Session
Cancún, 10 - 14 September 2003

Original: English

FIJI

Statement by the Honourable Kaliopate Tavola, MP
Minister of Foreign Affairs and External Trade

Whilst we are meeting here, the world is watching with much expectation to the outcomes of our deliberation. The success of the DDA can directly assist 300 million people in developing countries escape the poverty trap, including the citizens of my own country; a small island developing State that suffers from the smallness of its economies of scale, the tyranny of distance to its export markets and, for reason of geography and severe agro-climatic conditions, depends on a single commodity export (sugar) and a small range of light manufactured goods.

Right now, my delegation is concerned that little progress has been made to address the interests of small island and vulnerable economies like Fiji. This Conference must take decisions to resolve the problems of our trade, and to ensure our fuller integration into the multilateral trading system in a manner that promotes our development.

We, gathered here, can, in the spirit of compromise, agree on frameworks and modalities that will assist the work in Geneva to complete the DDA on or before 1 January 2005. It is with these intentions, that I wish to restate the position of my delegation with regard to certain critical issues that are before us:

AGRICULTURE

Fiji is able to support paragraph 4 of the Draft Ministerial Text on the understanding that all of the issues of concern to small island and vulnerable economies, that are contained in the Harbinson Revised Draft Modalities, are not subject to further discussions and negotiations, and are part of the ongoing issues to be finalized in Geneva, especially the need to introduce flexibility and the translation of existing S&D provisions to meet the development needs of small island and vulnerable economies.

As an exporter of a single commodity on a long-standing preferential arrangement, we would like to maintain this arrangement, because it does provide certainty and predictability of income support to our development needs and poverty alleviation especially to our rural farmers.

NON-AGRICULTURAL MARKET ACCESS

Fiji supports paragraph 5 of the Draft Ministerial Text but has a few reservations with Annex B. On the modalities for tariff reduction, a simple user-friendly formula with different reduction coefficients for developed and developing countries, would be most appropriate. The core formula could be complemented with other supplementary approaches as long as they contribute to ensuring development objectives for products of particular export interest to small island and developing countries. Fiji believes that the proposal on the sectoral elimination of tariffs should be voluntary, as

the identified sectors do not necessarily reflect the developmental interest of small economies like mine. Any mandatory obligation is based on a fundamentally wrong assumption that all of the Members are equal in developmental status.

The equitable and fair application of S&D treatment principles would not require unreasonable tariff reduction from countries like Fiji. It will also expose the zero-to-zero approach as unfair and inequitable. We do not agree that small vulnerable economies should remove their low duties, because they contribute substantially towards customs revenue and have negligible impact on market access.

Fiji wants this Conference to agree that its infant and emerging industries should be treated with some flexibility in terms of leaving unbound some of the tariff lines relevant to products of special interest and which are directly linked to our development needs.

The implementation period for reduction in tariff, once the modalities are agreed, should be longer, for small island and developing countries, in the range of 10-12 years.

Since development is the core objective of the DDA, further liberalization should not result in countries, like mine, becoming worse off after the Round than before it. Solutions must be found to mitigate the negative impact of loss of market access, due to any erosion of preferential margins.

GENERAL AGREEMENT ON TRADE IN SERVICES (GATS)

Fiji supports greater effort to operationalize Article IV of GATS and to increase the participation of developing countries, through the liberalization of market access in service sectors and modes of supply of export interest to them, particularly Mode 4. Given the capacity constraint, evident in most developing countries to negotiate in this area, negotiations should therefore be conducted on the principle of progressive liberalization, at a pace commensurate with their level of development. In addition, balance should be maintained between market access negotiations and the multilateral negotiations in rule-making in services that would help create a more favourable framework for developing countries. This can provide higher level of comfort in negotiating market access commitments.

SPECIAL AND DIFFERENTIAL TREATMENT

S&D Treatment for developing countries is already part of the WTO Agreements and principles. It must be taken into account that it should be included in the schedule of concession and commitments, and in the appropriate rules and disciplines to enable developing countries to address their development priorities. Future work in this area must be dedicated to addressing the specific constraints of developing countries as agreed to in Doha.

COMMODITIES ISSUES

Fiji supports the mainstreaming of this issue in the Draft Ministerial Text. We agree that the Trade and Development Committee should be given new mandate to allow it to consider urgent cases such as the initiative for the cotton producers of West Africa.

SMALL ECONOMIES

It gives me great pleasure as the representative of Fiji to make this statement on behalf of Antigua and Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Fiji Grenada, Guyana, Haiti, Jamaica, Maldives, Mauritius, Papua New Guinea, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Samoa, Seychelles, Solomon Islands, Surinam, Trinidad and Tobago, and Vanuatu - comprising a group of small, vulnerable economies.

The following statement reflects the common challenges and objectives confronting our countries, and a restatement to this Conference for action to address them.

The full text of my statement has been circulated. Therefore, I only want to emphasize the key issues and concerns that the small vulnerable economies would like me to address.

We are concerned that little progress has been made on the issues of interest to us, and we call on this Conference to take the decisions necessary to solve our trade problems and to ensure our effective participation and fuller integration into the multilateral trading system, in a manner that promotes our development. Members must therefore give renewed political impetus by taking the necessary decisions here at Cancún. Specifically, we want the Conference to:

1. Agree that the structural disadvantages of small vulnerable economies should be fully addressed in the formulation and application of multilateral trade rules as well as in the liberalization undertakings required of these countries, in order to prevent further loss of their market share and marginalization within the world economy.
2. Agree that the existing S&D Treatment provisions shall be translated into specific and binding measures that will formulate additional measures that meet the specific development and other needs of small vulnerable developing economies.
3. Direct that, given their small share of world trade, any modalities for negotiations on agriculture and non-agriculture market access, shall maintain their preferences, or if these are eroded, implement mechanisms for adequate compensation providing flexibility, and much needed government revenue.
4. Recognize that trade in services is important to small vulnerable economies, and that S&D Treatment is vital. In this connection, measures should not be adopted by developed States that impede both access to their markets and stifle the development of trade in services.
5. Agree that the developed WTO Members shall liberalize sectors of export interest to developing countries, including GATS Mode 4, in accordance with their obligations in GATS Article IV. Also direct that in the negotiations on services, flexibility shall be accorded to small, vulnerable economies to open fewer sectors, in line with their national development objectives, and due account shall be given to their small service suppliers.
6. Agree to continue the debate on the Singapore Issues in order to clarify them before any negotiations commence in these areas.
7. Agree that improved disciplines in the Agreement on Subsidies and Countervailing Measures shall provide greater flexibility in the use of certain subsidies for small, vulnerable economies, particularly fisheries and agriculture subsidies, as these are a necessary tool to further their development.
8. Agree that the process of clarifying and improving disciplines and procedures under WTO, as regards Regional Trade Agreements, between developed and developing countries, shall take into account the differences in size and level of development of these countries.
9. Urge Members to continue to work for WTO's Members' rights to protect public health and, in particular, to promote access to medicines for all.
10. While appreciating efforts by the WTO, UNCTAD, other international organizations, agencies and donors to enhance the capacity of small, vulnerable economies, we call for further

technical assistance. This should be targeted at institutional capacity building in public and private sectors, the cost of representation to WTO, implementation of and adjustments relating to multilateral rules.

11. Agree to the adoption of Guidelines on WTO Accession Procedures for LDCs by the General Council but nevertheless express concern over the excessive demands made in the accession process for LDCs and small, vulnerable economies. We call on WTO Members to adhere fully to these guidelines and refrain from placing onerous demands on LDCs and small, vulnerable economies.

We look forward to continuing the Work Programme on small economies as mandated by Ministers in Doha and call upon Members for its completion, and to reaffirm their commitment to the Programme.
