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## **EZULWINI STATEMENT ON A JUST REGIME IN GLOBAL TRADE THROUGH SMART PARTNERSHIP DIALOGUE**

### Communication from Malaysia

The attached communication, dated 3 September 2003, has been received by the Director-General from the Minister of Foreign Affairs of Malaysia.

MINISTER OF FOREIGN AFFAIRS MALAYSIA

H.E. Dr Supachai Panitchpakdi  
Director-General of the World Trade Organization  
Rue de Lausanne  
Geneva

Excellency,

I have the honour to bring to Your Excellency's kind attention to the Ezulwini Statement on a Just Regime in Global Trade Through Smart Partnership Dialogue, which was adopted by the Smart Partnership International Dialogue, Global 2003, held from 13 to 17 August 2003 in Ezulwini Valley, Swaziland.

The annual Smart Partnership International Dialogue series, alternating between Langkawi Island, Malaysia and venues in Africa, is implemented by the Commonwealth Partnership for Technology Management (CPTM). Since it was introduced in 1995, it has given impetus to the promotion of Smart Partnership relations among governments, the private sector, labour and the media through the creation of national, regional and international hubs within the Commonwealth and beyond.

The essence of the Smart Partnership philosophy is the rejection of rigid ideologies, conflicts, domination of one State, sector or social group by another and viewing political and economic relations as a zero-sum game. The Smart Partnership philosophy affirms the concept of consultation, win-win and "prosper-thy-neighbour" outcomes for all partners.

The Dialogue in Ezulwini Valley saw the participation of the Heads of State/Government of Botswana, Lesotho, Gambia, Ghana, Malawi, Malaysia, Mozambique, Namibia, Nigeria, Sierra Leone, South Africa, Sudan, Uganda, Zambia and Zimbabwe.

The Ezulwini Statement was adopted arising out of concerns regarding the tendency of retreating from the objective of a "Development Round" of global trade negotiations in which the development needs of poor countries would be of paramount concern, which was initiated at the Fourth WTO Ministerial Meeting in Doha in 2001.

Further, the statement also reiterates that the domination of one group of countries over the others brings the rich and powerful short-term benefits only. It was strongly felt the world needs a rule-based international economic order, not one dominated by any country.

Against this backdrop, the Ezulwini Statement urges all WTO trade negotiations to commit themselves to the Smart Partnership approach, with a view to establishing a just regime in global trade. At the same time, it also outlines some of the pressing matters of concern to the developing countries.

It is my sincere hope that you will, through your good offices, bring the contents of this Statement to the Fifth WTO Ministerial Conference, scheduled to be held from 10-14 September 2003 in Cancún, Mexico.

Please accept, Excellency, the assurances of my highest consideration.

SYED HAMID ALBAR  
3 September 2003

## **EZULWINI STATEMENT ON A JUST REGIME IN GLOBAL TRADE THROUGH SMART PARTNERSHIP DIALOGUE**

### A Statement for the Fifth WTO Ministerial Meeting at Cancún, Mexico

The Smart Partnership Movement, which has the participation and support of Heads of State and Government and Ministers of several countries of Southern, Eastern and Western Africa together with countries of Southeast Asia and the Caribbean, with the participation of their private sectors, labour and media, has been meeting frequently to discuss Smart Partnership and to dialogue in order to progress their countries.

Inevitably the international environment and the action of countries and institutions outside the partnership have impacted on the development and progress of these countries. Among these is the WTO.

We therefore deem it necessary for the partnership to voice its views on the WTO, in particular on the possible outcome of its forthcoming Fifth Ministerial Conference in Cancún, Mexico.

Among these we would like to draw attention to the following:

1. That market access is particularly crucial to producers from developing countries. If the developing world is expected to participate in trade liberalization, developed countries must open their own markets fully to the goods and services of developing countries.
2. Export subsidies and domestic support to farmers, combined with tariff peaks and escalation have had a negative impact not only on poverty alleviation efforts but also on development and industrialization of developing countries. They must be eliminated.
3. No country may devise and apply protectionist and discriminatory non-tariff barriers.
4. Trade should be completely disassociated from non-trade issues such as democracy, human rights, labour practices and natural environment. There are other fora for these issues.
5. Intellectual property rights should not be applied equally between countries at different stages of development. Social (health) factors must be given full consideration in the application of IPR.
6. That the "Development Round" should in fact be concerned with development and that trade conditionalities should promote and not detract from development. There must be progress on special and differential treatment.
7. Negotiation in the WTO must be democratic. Decisions by a privileged few must be regarded as non-binding on the rest. New issues should not be brought up until satisfactory conclusions are reached on the present agenda.

We believe in the role of the WTO in bringing about fair and rule-based trade. But the decision by the WTO must reflect democratically the view of the have-nots as much as the haves.

We the members of the Smart Partnership Movement while representing ourselves, also largely represent the views of the countries that we come from. We insist on fairness and justice in world trade for everyone.

The attached text enlarges on the summation above.

## **EZULWINI STATEMENT ON A JUST REGIME IN GLOBAL TRADE**

### Making Economic Engagement Work for Development Through SMART PARTNERSHIP Dialogue

Political, business and labour leaders from a crosscutting group of mainly poor countries met at Ezulwini, Swaziland, shortly before the Fifth WTO Ministerial Meeting in Cancún, Mexico. They met as the Commonwealth Partnership for Technology Management - Smart Partners working "Towards a Smarter Globe". What binds these leaders together and brought them to Ezulwini is the belief in the value of Smart Dialogue and a win-win approach to solving problems. In that spirit the leaders listed below commit their own countries to a policy of international economic engagement and empowerment in a framework of equity for all stakeholders, and with a view to establishing a just regime in global trade. They urge all WTO negotiations to commit themselves to this "SMART PARTNERSHIP" approach.

Multilateral governance, as represented by the UN family and the WTO, is under serious threat. Rich and powerful countries often prefer to act unilaterally without the restraints of law or international consensus, or to dominate their economic partners through one-sided bilateral agreements. This kind of action brings the rich and powerful short-term benefits only; long term stability and growth depend on multilateral rules and institutions which all respect. The world needs a rule-based international economic order: not one dominated by the precept that "might is right".

The World Trade Organization is of particular importance since it should underpin the continued growth in the world economy and guarantee to poor countries a framework of rules and equitable dispute resolution within which they can negotiate and secure improved market access for their products. The WTO is under threat primarily from selfish vested interests in the rich world and also from some well intentioned but misguided elements of the "anti-globalization" movement in developed countries.

At the Fourth WTO Ministerial Meeting at Doha, the Ministerial Meeting at Cancún was declared to mark the initiation of a "Development Round" of global trade negotiations in which the development needs of poor countries would be of paramount concern. We assert that imperative; but we have already seen a worrying tendency towards a retreat from this objective over wide areas of trade policy.

Among the specific challenges now facing the WTO Ministerial Meeting in Cancún are the following:

- To deliver demonstrable progress and good faith in providing improved market access in highly protected sectors like agriculture. Market access barriers in the EU, the US and Japan, for sugar, beef, fruit and vegetables, rice, tobacco, cotton, lumber and other products of interest to developing countries remain unacceptably severe. Moreover, the vast and growing sums that are squandered on subsidies are financially and environmentally unsustainable even for developed countries.
- To make tangible progress in dismantling access barriers facing processed raw materials; the promise to dismantle textile quotas is largely unrealized. Without a serious willingness to tackle market access issues, developing countries have little incentive to be constructive on other issues.

- To resist pressures to introduce into multilateral trade negotiations issues like human rights, labour standards and environment standards - already evident in regional trade negotiations. While there are legitimate and important concerns in these areas (which are properly addressed in other fora), there is well founded suspicion that they will be used as an instrument of protection to penalize developing country exporters.
- To address the serious anomalies thrown up by the Agreement on Intellectual Property Rights (TRIPS) and to meet the urgent need for implementing the Doha Ministerial Decision on TRIPS and Public Health. In particular, the desperate AIDS and wider health crisis in Southern Africa cries out for a human approach to trade in medicines and a return in the consensus of Doha.
- To tackle the miscellany of issues of concern to developing countries - and that should be of concern to all Members of the WTO - like the lack of progress on special and differential treatment, implementation issues, debt problems and governance issues such as missed deadlines and overburdened agendas.
- To enhance the capacity of many countries to cope with multiple-trade negotiations together with complex on-going issues in respect of standards setting and dispute resolution. It is simply not feasible in this context, and while critical issues remain unresolved, to expect the vast majority of developing countries to embark on negotiations on "new issues" like competition policy, investment, trade facilitation and transparency in government procurement.

For all these reasons, while the WTO is a necessary bulwark of the multilateral system, it needs to be reformed. In particular, the large number of small and vulnerable developing countries need to have a secure voice and role in the process of dialogue.

We conclude that there is a compelling need at Cancún for all Members of the WTO - developing countries and those who share a partnership with them for a just regime in global trade - to ensure that there is no deflection from this strategic goal, however sustained the pressure may be from powerful economies, driven by sectional interests, to the detriment of wider national and human interests.

The countries we represent are committed to securing such an outcome at Cancún and recognize the importance of solidarity in pursuing it - of uniting for justice in global trade.

On behalf of all Smart Partners at Ezulwini: 15 August 2003.

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