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MAURITIUS

Statement by the Honourable Rajkeswur Purryag Deputy Prime Minister and Minister of Foreign Affairs and International Trade

1. I wish to join the previous speakers in thanking the US authorities for hosting this conference, and to commend the WTO Secretariat for its preparation and support to Member States. Allow me also to congratulate you on your assumption of office and to assure you of my delegation's collaboration in ensuring the successful outcome of the Conference.
2. At the outset, let me express the full support of Mauritius for the statements made by Minister Simba of Tanzania, on behalf of the SADC countries and by Minister Hylton of Jamaica on behalf of the 71 states of the African, Caribbean and Pacific Group of countries.
3. Mauritius is a small, remote and vulnerable island developing country which is highly dependent on trade for its sustained growth and sustainable socio-economic development. This high dependence on trade makes us quite vulnerable, and our smallness does not provide us with the necessary economic resilience to withstand external shocks.
4. As such, a strengthened rule-based and transparent multilateral trading system, underpinned by the WTO, is crucial. It allows for stability, predictability and adequate legal security to small economies. But the WTO rules have to evolve with times and be made more responsive to the development, trade and finance needs of developing countries, particularly LDCs and small economies including vulnerable island Members.
5. Whilst we recognize that special and differential treatment provides relief in terms of transitional periods, it does not address the permanent and inherent constraints of small countries. Future negotiations should ensure that the rules themselves should have in-built provisions for such countries.
6. In this respect, we are of the view that the development dimension should be high on the agenda of negotiations if the risk of marginalization is to be avoided.
7. The expectation that the commitments and obligations of the Uruguay Round Agreements would lead to the welfare of peoples around the world through higher standards of living, full employment and sustained growth and development whilst preserving the environment, has not been realized. These objectives are the very core of our development strategies. We, as Ministers, upheld these both in Singapore and in Geneva.
8. Five years after Marrakesh, we are here in Seattle. There is an expression of general disappointment by developing countries that the painful liberalization undertaken by them at great costs has yet to yield commensurate benefits. Inside the meeting rooms and outside on the streets, we

have been confronted with concern that liberalization without an "IF" could lead to the creation of a world to which none of us aspires - a world devoid of fairness and equity.

9. The implementation of the results of the Uruguay Round have been disappointing for developing countries. Indeed, domestic industries now have to face competition from large foreign corporations; on the other hand, export earnings have decreased and Government revenue has dropped significantly. Moreover, the implementation of WTO decisions and participation in the work of the WTO entail an additional financial burden.

10. In addition, the provisions of certain Agreements, instead of fostering development have become constraints to growth. The benefits arising out of compliance with the TRIPS Agreement, for example, must be measured against the substantial cost of such compliance and the increased price of products with significant intellectual property components. This could equally retard technological development, essential for the future economic development of the developing countries. In this context, we particularly welcome the proposal to set up at the WTO a Working Party on the Transfer of Technology.

11. In Geneva last year, Ministers expressed concern over the marginalization of the least-developed countries and of small, vulnerable developing economies. We instructed that the concerns of these countries be addressed.

12. In the case of small developing economies, work has been progressing since the Geneva Ministerial Meeting, mainly in the Committee on Trade and Development. In this regard, the joint efforts of the World Bank, the Commonwealth and the WTO have served to highlight the fact that this issue must be addressed from a broader perspective. The Seattle mandate must therefore include the establishment of a Work Programme in the various WTO bodies, focusing on the trade concerns of small and vulnerable developing economies with a view to making appropriate recommendations to the Fourth Ministerial Conference.

13. Allow me to stress that the concerns of small economies are not a new issue. From a trade perspective, production patterns, competitiveness and resilience to external shocks, amongst others, are intricately linked to the size of an economy. We are all aware of the constraints which generally beset small economies. Their inherent vulnerability is often exacerbated by geographical isolation, proneness to natural disasters, and lack of human and institutional capacity.

14. During the past few years, small economies and, in particular small island developing states, have been affected by a convergence of negative factors in the wake of liberalization, mainly the erosion of preferences and increasing competition from larger and more sizeable economies. If appropriate steps are not taken, there is a real risk that many of these countries, which are working extremely hard to win the battle against under-development, will slip back to that unenviable condition. It is therefore important that the pursuit of work at the WTO to address the concerns of small economies should enable these countries to take advantage of trade opportunities in the global economy in order to compensate for inherent structural constraints.

15. Preferential arrangements which have played such a determinant role in the development of these economies should be maintained, so as to prevent them from being further marginalized. Such preferences contribute to the competitiveness of small and remote islands and help mitigate the adverse effects of high freight costs. They must remain predictable and commercially meaningful both in terms of access and earnings. Arrangements such as the Caribbean Basin Initiative and the Lomé Convention are essential for the smooth and gradual integration of beneficiary countries in the multilateral trading system. WTO waivers for such arrangements provide security and predictability, important conditions for trade performance and economic development. We therefore look forward to the renewal of such waivers and more particularly, the Lomé Waiver which is coming up for consideration.

16. Many small island states depend on one or two agricultural commodities. In my country, as in many comparable ones, sugar is not merely a tradeable commodity, it is a way of life. It has initiated human settlement, and indeed, it has shaped our history. Over time, the cane plant has proved to be the crop best suited to our agro-ecological and climatic condition, and is in fact the only one that can be commercially grown on a large scale. In an island devoid of natural resources and regularly victim to hurricanes, sugar plays the multifunctional role assigned to agriculture by the Rome Summit.

17. From this perspective, we believe that any future agreement on agriculture should acknowledge the multifunctional and distinct role of agriculture and the diversity of agricultural systems worldwide. Whilst we recognize the need for progressive liberalization in agriculture, we must bear in mind its adverse impact on net-food importing developing countries and the particular situation of small island developing states. Here, the Marrakesh decision in favour of NFIDCs should be effectively implemented in order to preserve food security for these countries.

18. I wish to state clearly that our commitment to integrate the international trading system has not changed. This said, let me add, in no unequivocal terms, that the future negotiations should not lead us to a situation where marginalization accelerates. Our economies and our societies require a pace of liberalization which will not result in economic and social disruptions. It is therefore imperative that the developmental dimension should become an integral part of all agreements.

19. The credibility and success of the WTO will depend on its capacity to bring about a fair and equitable trading environment which recognizes specificities and meets the needs, aspirations and development potential of the global community from which no country is left out.
