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FIJI

Statement by the Honourable Kaliopate Tavola on Behalf of Small Vulnerable Economies

1. It gives me great pleasure as the representative of the Republic of the Fiji Islands to make this statement on behalf of the Antigua and Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Fiji Islands, 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, Vanuatu - comprising a group of small, vulnerable economies. This statement therefore is a reflection of the common challenges and objectives confronting our countries and a restatement to this Ministerial Conference for action to address our concerns.
2. Members of this Body adopted a Declaration in Doha in November 2001, that we believe offered some hope to countries such as mine: small island developing states and other such similarly situated small, vulnerable economies. In paragraph 6 of the 1998 Geneva WTO Ministerial Declaration, Members expressed their deep concern over the marginalization of least-developed and certain small economies and recognized the urgent need to address this marginalization. Building on this at Doha, we agreed in paragraph 35 to a work programme that would frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system.
3. The establishment of the work programme for the small, vulnerable economies was therefore a welcome and a much anticipated first step forward for us. It has already given us an opportunity to explain our unique economic and administrative constraints and to propose ways in which the rules-based system must accommodate and address the circumstances of all its Members, including the small, vulnerable economies. The outcome of the work programme should not be prejudged.
4. The WTO claims to be a multilateral trading organization, which addresses the circumstances of all its Members, and whose rules provide a balance of advantages for all its constituents. However, this is unfortunately not true for the small, vulnerable economies whose limited negotiating capital and small size limit their ability to cope with the complex multilateral rules, does not allow for effective bargaining to secure specific measures which address our development needs, and thus has prevented us from participating effectively in the negotiation of WTO provisions more suited to enhancing our welfare.
5. The discussions undertaken should have sensitized WTO Members to our unique circumstances. In addition, a number of regional groupings have adopted Ministerial Declarations for the Fifth WTO Ministerial Conference. We reaffirm the Dhaka Declaration of the Trade Ministers of Least-Developed Countries adopted in June 2003; the Mauritius Declaration endorsed by the Heads of State and Government of the African Union in Maputo, Mozambique, in July 2003; the Caribbean Declaration adopted in Montego Bay, Jamaica, in July 2003; and the Africa, Caribbean and Pacific Group Declaration adopted in Brussels, in August 2003. However, we are yet to see any substantive

responses to our concerns. We call upon WTO Members to take actions necessary to resolve the issues and concerns raised in these Declarations.

6. It is still difficult for the larger WTO Members to grasp how "small" our economies really are. Together, the small, vulnerable economies account for less than one per cent of total trade of all Members of the WTO family. This is a striking illustration of the fact that adopting effective measures to address the special needs and circumstances of small, vulnerable economies would have minimal impact on other WTO Members.

7. We are further concerned at the serious problems facing small, vulnerable economies which are dependent on single commodity exports such as bananas or sugar and call for appropriate initiatives and measures to be taken to address their problems.

8. We applaud the agreement adopted by the General Council that will make it easier for developing countries with insufficient or no manufacturing capacity in the pharmaceutical sector to import cheaper generics made under compulsory licensing.

9. We strongly urge that every effort be made to address development issues that have been placed at the centre of the Doha Work Programme. The multilateral trading system must continue to address the particular constraints of small, vulnerable economies. To this end, we reiterate the importance of removing the existing imbalances in the multilateral trading system and adopting specific recommendations and measures to ensure their beneficial participation in the rules-based system.

10. We are concerned that little progress has been made on the issues of concern to small, vulnerable economies and call on this Fifth Ministerial 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. The WTO Members must therefore give renewed political impetus by taking the necessary decisions here at Cancún. Specifically, the Conference should:

- (a) 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;
- (b) agree that the existing special and differential treatment provisions shall be translated into specific and binding measures and that it will be necessary to formulate additional measures that meet the specific development and other needs of small, vulnerable developing economies;
- (c) 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, identify and implement mechanisms for adequate compensation and provide flexibility for small, vulnerable economies, which are highly dependent on tariffs for revenue;
- (d) recognize that trade in services is of critical importance to small, vulnerable economies and that special and differential treatment is vital to these economies. In this connection, measures should not be adopted by developed states that both impede access to their markets and stifle the development of trade in services by small economies. Agree that the developed WTO Members shall liberalize sectors of export interests to developing countries including GATS Mode 4 in accordance with their obligations in GATS Article IV. 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;

- (e) agree to continue the debate on the Singapore Issues in order to clarify the issues before any negotiations commence in these areas;
- (f) 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 agricultural subsidies, as these are a necessary tool to further their development;
- (g) agree that the process of clarifying and improving disciplines and procedures under the existing WTO provisions applying to regional trade agreements between developed and developing countries shall allow sufficient flexibility to take into account the differences in size and level of development of these countries;
- (h) 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;
- (i) while appreciating efforts by the WTO, UNCTAD, other international organizations, agencies and donors to enhance the capacity of small, vulnerable economies, 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;
- (j) 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. Call on WTO Members to adhere fully to these guidelines and refrain from placing onerous demands on LDCs and small, vulnerable economies in the accession process.

11. We look forward to continue the work programme on small economies as mandated by Ministers in Doha and call upon Members for its completion by 1 January 2005 as recommended by the General Council. We call on Members to reaffirm their commitment to the Work Programme on Small Economies and urge them to adopt specific measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system in a manner that promotes their development.
