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MACAU

Statement by Mr. Vitor Pessoa Secretary for Economic Coordination

The multilateral trading system has decisively contributed in the past 50 years towards consistent and sustained economic development. Reinforcement of multilateral trading measures and disciplines throughout the long eight rounds of negotiations on liberalization and the expansion of international trade exchanges has irrevocably contributed towards global prosperity, development and improvement of living standards of populations worldwide.

Since the establishment of the General Agreement on Tariffs and Trade (GATT), the volume of international trade exchanges grew 17-fold and production levels 4-fold, while global per capita income expanded two-times. A fundamental tool towards these accomplishments, the Multilateral Trading System enabled developing countries to achieve positive levels of integration within the international economy clearly proving that gradual market liberalization is a driving force behind improved growth and economic development.

Following the Uruguay Round negotiations, the establishment of the World Trade Organization created a legal framework whose implementation should continue to produce the necessary conditions for developing countries to see their share growing in international trade benefits.

Macau, firstly in its capacity of GATT Member and, later on, as a WTO Founding Member, has been reiterating its commitment to the consolidation and strengthening of the Multilateral Trading System. Despite its economic size and resources, the Territory is, from the very beginning, a keen participator in the ongoing activities of the various WTO bodies. In this context, we would like to highlight our participation in the implementation of the Agreement on Textiles and Clothing under the auspices of the Textiles Monitoring Body and our accession to the agreements on Information Technologies (in 1997) and Financial Services (in 1998).

Notwithstanding the moment when this Seattle Ministerial Conference is preparing to launch a new cycle of trade liberalization, we would like to stress our view that there should be an effective implementation of the already existing WTO Agreements. Indeed, five years after the signing of the Marrakesh agreements, developing countries continue to experience continued difficulties – especially small-sized economies – in acceding to developed markets. It is our belief that only a balanced implementation of the rights and obligations contained in already standing agreements may create the necessary conditions for an advantageous and effective participation of developing countries in world trade.

In this context, we view it as fundamental that the textiles and clothing process of integration in the 1994 GATT, as foreseen in the ATC, be made to advance, as this is the only way to fully honour the spirit of liberalization that presided over the drafting of the Agreement.

In fact, the high level of protectionism still being enforced in importing markets is, for us, a matter of serious concern. We, therefore, appeal to relevant WTO bodies that their duty to thoroughly implement the Agreement be carried through and translated into a gradual and significant opening up of markets. This seems, indeed, to be the only way to secure a smooth adjustment period before liberalization, while at the same time averting a sudden rush in the final stages of the integration process, that may impact negatively on both exporting and importing markets.

In the ambit of the Multilateral Trading System, Macau recognizes the importance of ensuring transparency of measures, regulations and practices where rules of origin are concerned. However, we would like to express our concern over the habit of some developed economies of resorting to the imposition of anti-dumping measures and technical barriers. In fact, the aim of these practices come to nothing but disguised trade protectionism, aimed at hindering access to their markets. In this particular field, we believe it necessary that firm rules be established that effectively improve transparency in the application of such measures.

With regard to the implementation of the General Agreement on Trade in Services, the 5th Protocol was adopted by, and entered into force recently in Macau, consolidating the high level of liberalization of its financial market. Hence, Macau hopes that the Protocol directives are effectively carried out, in order to ensure transparency in, and smooth flow of, the liberalization process in this sector.

In the past years, the Macau Administration has given top priority to drafting and enforcing a legislative and normative framework consistent with the Territory's commitments under the Agreement on Trade-Related Aspects of Intellectual Property Rights/TRIPS.

As a result, a new legislation on Intellectual Property and Copyright Neighbouring Rights has been published and is currently in force in Macau. Also, complementary legislation on Industrial Property is currently being subject to final review and is expected to be enforced by the end of 1999. Therefore, in June 2000, Macau will be submitting this new legislation to the Council for TRIPS.

At a time when this Conference is preparing to launch a new cycle of multilateral trade liberalization, Macau reaffirms its commitment to uphold the founding principles of WTO and looks forward, with optimism and anticipation, the results of this negotiating process.

However, we firmly believe that total and effective implementation of the Uruguay Round Agreements must continue to be a prerequisite to the expansion of the Multilateral Trading System.

We furthermore call on Members to unite efforts in order to ensure that the negotiating process will not lose sight of its chartered objectives to endorse equilibrium and equity, which should translate in mutual and accrued advantages to all parties involved.

In this sense, establishment of new multilateral rules and disciplines must be pursued with a view to promote development, to allow developing members – and especially small-scale, open economies – to take the most advantage of results of this negotiating round. In order to achieve this, sustained development objectives aimed at dispelling global environmental concerns, should be conducted under not only joint-coordinated WTO efforts, but also under those of other relevant international bodies. Of likewise importance, is the fact that pursuance of such objectives must not become an excuse for the adoption of protectionist measures that may penalise small-scale economies for their full participation in world trade.

We are certain that, throughout the whole process of trade liberalization, the preponderant heterogeneity of WTO Members, in terms of economic size and negotiating capacity, must never be forgotten. And the only way to overcome such differences is by devising a special and separate

programme, with clear-cut rules set out in the text of new agreements, to enable Members to reach equitable and balanced results that meet the legitimate economic growth expectations of developing countries – especially of those small-scale, open economies – that are so vulnerable.

On the other hand, Macau further hopes that the negotiating process will take place in a climate of peaceful trade exchanges, that is vital for a successful outcome, and that the adoption of unnecessary trading measures, aiming only at restricting or distorting free course of trade be, in fact, averted.

Finally, where the structure which will govern the negotiations is concerned, we hope that it may be sufficiently flexible to allow small non-Geneva based delegations the opportunity to effectively participate in the negotiating process and protect their fundamental trade interests.

Macau looks with great optimism at the decisive steps that were given in the past weeks towards accession by major economies to the World Trade Organization, which will greatly contribute to confer the multilateral trading system its global characteristics.

At a time when, in Macau, the important process of transition is about to come full term, leading to the establishment of the Special Administrative Region of Macau of the People's Republic of China, under the designation of "Macau, China", the Territory will undoubtedly commit itself with renewed effort to the WTO's activities in view of its statute of a separate customs territory, with full economic autonomy, as it has been acknowledged by the international community.
