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## SINGAPORE

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### Significance of Uruguay Round: Inclusion of services

Colleagues who spoke before me have rightfully pointed out the impressive achievements of the Uruguay Round. Its comprehensive coverage has raised global trade liberalization to a higher plane. Its significance extends beyond the large number of tariff and non-tariff barriers reduced or removed and the strengthening of the dispute settlement mechanism. With the UR Agreements, the international trading agenda has finally been extended beyond the trade in industrial goods, to several new sectors.

One key new sector is services. The services sector has become an important pillar of international trade. From 1982 to 1992, worldwide exports of services grew at an annual rate of 15 per cent, one and a half times the growth rate for goods. By 1994, world exports of services were worth almost US\$1.1 trillion, more than one quarter of worldwide exports of goods.

The inclusion of services in the UR was therefore a significant move, acknowledging the importance of this sector in international trade. The General Agreement on Trade in Services (GATS) constitutes the first set of multilateral rules for the trade in services, replacing the prevailing ad hoc and often capricious bilateral arrangements. WTO Members have each committed to schedules on increasing access to a wide range of services, and this will further boost the trade of services worldwide.

In addition, the Uruguay Round Agreements marked the initiation of a new approach to liberalization. Ministers agreed in Marrakesh to experiment with a sectoral approach to services negotiations. The sectoral approach was thought to offer greater flexibility by allowing negotiations on four key services sectors - financial services, basic telecommunications services, maritime transport services and the movement of natural persons - to proceed independently of one another at their own pace.

### Progress of sectoral services negotiations

Unfortunately, only the negotiations on the movement of natural persons have been concluded. The other sectoral negotiations have ended with their deadlines being extended - basic telecommunications to February 1997, financial services to December 1997 and maritime services negotiations to resume in the year 2000.

So how should one judge the effectiveness of this experiment, of this new approach to trade negotiations? Has it worked? Is it more effective than traditional *en bloc* negotiations of GATT? I think the jury is still out.

The theoretical advantage of sectoral negotiations are well recognized. It would therefore be a pity to decide that sectoral negotiations are ineffective.

I would urge colleagues to use the opportunity of this SMC to review the sectoral approach to negotiations, and collectively give it a political push to ensure that the sectoral negotiations remain on track and achieve satisfactory conclusions.

#### Toward successful conclusion of the basic telecommunications

##### Negotiation

One such sectoral negotiation awaiting satisfactory conclusion is on basic telecommunications services. The deadline is only two months away. There are two reasons why WTO Members should make a concerted effort to conclude this negotiation successfully. One, a successful conclusion will be a clear pronouncement of the effectiveness of the sectoral approach. Two, it would be a reaffirmation of the WTO's objective to pursue further trade liberalization and to maintain the momentum of such efforts.

As a beneficiary of global free trade, Singapore will play an active part to contribute to the successful conclusion of the basic telecom negotiations next year. In this regard, I am happy to announce that Singapore will further improve its current offer made at the Negotiating Group on Basic Telecommunications.

##### Singapore's improved offer

When we privatized our government-operated telecom service and listed the operator on the stock market in 1993, we gave it a monopoly licence to provide basic telecom services till the year 2007.

The years since then have seen dramatic changes in the industry - brought about by technological advances and changes in the regulatory environment. Such changes forced us to review the licence given to the operator. We decided that a monopoly granted for such a long time was not sustainable. At the Negotiating Group on Basic Telecommunications, we tabled what was the best offer possible at the time, i.e., 1 April 2002 as the date for introducing competition to our industry. This offer was made only three years after privatization, and brought forward competition by five years from the original schedule.

The review did not stop here. We mentioned this at the time the offer was made. The Singapore Government has since decided that the monopoly for basic telecom services will end on 31 March 2000. This is seven years ahead of the original schedule of 2007.

We believe that this will further enhance Singapore's competitiveness and our role as a regional telecoms hub. To show support for the multilateral trading system and to make a positive contribution to move the basic telecom negotiations forward, Singapore will bind the year 2000 schedule to introduce competition for the basic telecom services as an offer to the Group on Basic Telecommunications. This is an improvement of two years over our existing offer on the table.

We will continue to review our telecom industry structure. We will be guided by our belief that competition brings about better services and more competitive prices for consumers. We will be open and responsive to the revolutionary changes sweeping this industry worldwide. Where appropriate, we will introduce further changes to our industry and offer these as commitments at the multilateral level.

## Conclusion

As we near the end of the negotiations on basic telecommunications, there is increasing commonality of interests among both industrialized and developing countries alike. A more open, transparent and predictable structure for basic telecom services will maximize their investment appeal, promote growth across all economic sectors, and enhance the standard of living for their citizens.

What is at stake here is not simply the sovereignty of national telecom regimes. Rapid and radical changes in technology can be a global factor for progress. Even if we can, we resist the growing tide of changes at great cost. Increasingly, physical borders are breached, as the Internet today has amply demonstrated and as global satellite communications will do in the not-too-distant future. What is at stake is expedient and ready access to information, the most important raw material of the 21st century. Through an open and liberalized telecommunications regime, all countries, developed and developing, can exploit this raw material for the benefit of our people.

Basic telecommunications is only one of the key components of the information age. To fully tap what IT can offer, it is necessary to ensure that relevant equipment is widely available at the lowest possible cost.

Herein lies the importance of the proposed Information Technology Agreement (ITA). It is not simply a tariff removal exercise but one that will greatly amplify the benefits of our efforts to liberalize basic telecommunications. Singapore supports the ITA initiative. We stand ready to join the ITA and look forward to achieving the maximum outcome possible by the end of this meeting.

It is in our interests, individual and collective, to safeguard the credibility of the WTO and the multilateral trading system it represents. A successful conclusion to the basic telecoms negotiations as well as conclusion of the ITA will make a major contribution in this regard.

If I may repeat the words of Prime Minister Goh Chok Tong at the opening of this Conference on Monday, let us "seize the moment and take a significant collective step forward towards a cohesive and prosperous world".