

Remembering the WTO Ministerial Conference: Thoughts from the Chair

By Yeo Cheow Tong, WTO Singapore Ministerial Conference Chairman

Introduction

When ministers met in Singapore in December last year, they faced both an opportunity and a challenge. The Singapore Ministerial Conference (SMC) was an opportunity for all to join equally in the task of taking the multilateral trading system to even greater heights. WTO members should take a critical look at what we have done collectively since Marrakesh, what we have achieved, what we have not achieved and, most importantly, what we should be doing in the future and how to go about doing it.

The challenge lay in the fact that the SMC was the first ministerial level meeting of the WTO since the end of the Uruguay Round. It was an enormously important meeting whose outcome had both symbolic and substantive implications for future WTO Ministerial Conferences. The success of the SMC was also crucial for the credibility and relevance of the WTO and the multilateral trading system it represents, particularly at a time when there has been a loss of patience and faith in the system in many parts of the world. Ministers therefore faced the challenge of ensuring a substantive Conference which would set the direction, the tone and the pace of how the WTO will work toward fulfilling its mission of advancing global liberalization.

A successful Singapore Ministerial Conference

As it turned out, the SMC was a resounding success with two significant outcomes.

First, the Conference delivered a strong Ministerial Declaration which was a consensus document defining a road map for continuing liberalization work by the WTO. The Declaration

laid the groundwork for further improvements to the world trading system by establishing a working party to conduct a study on the issue of trade facilitation. In addition, it established working groups to look into issues such as investment, competition policy and transparency in government procurement. All these would help ensure that the WTO remains an active, vibrant, energetic organization that can adapt to changes in the global economic situation, and will be well placed to handle the challenges of globalization in the world economy.

Second, the SMC delivered the Information Technology Agreement (ITA) under which tariffs on IT trade valued at about US\$500 billion a year would be eliminated by the year 2000. A total of 28 countries, making up more than 80% of the world's trade in high-tech and computer goods, signed on to the ITA. This initiative, widely applauded by the business community, was a solid demonstration of the WTO as a forum for continuing trade liberalization.

Factors of success

The road to achieving these substantive outcomes, however, was not easy. Negotiations in Geneva prior to the SMC had failed to even produce an agreed text for the Ministerial Declaration, and differences over the



WTO Singapore Ministerial Conference Chair Yeo Cheow Tong (right) with WTO Director-General Renato Ruggiero (center)

contentious issues of labor, investment, competition policy, textiles and government procurement were carried over to Singapore. There were thus concerns that the entrenched positions of key WTO members on these issues would lead to sharp disagreements and discord at the SMC. This would have distracted attention from the positive developments achieved by the WTO so far and mar the overall success of the SMC.

So how, then, did the success of the SMC with the strong Ministerial

Declaration come about?

First, due credit must be given to the WTO Secretariat and all organizational staff for providing the logistics and administrative support for the Conference. Their hard work and dedication ensured that the conference ran smoothly and allowed the ministers to concentrate on the immediate work at hand of consulting on the Ministerial Declaration.

Second, all member countries, both developed and developing, participated actively in the SMC process. Particularly for the developing economies, there was a clear desire and determination to sit at the table as equals and confidently chart a course together for future prosperity. This participation of countries from all regions and all levels of economic development ensured that there was a good representation of views at the SMC and that the outcomes were balanced and beneficial to all members.

Last, and perhaps the most important reason why the SMC was a success, was the cooperation and the spirit of goodwill and compromise displayed by all the members. Whatever the differences in positions, on whichever side

each stood, there was a common recognition that it is in our interests, both individual and collective, to safeguard the primacy and credibility of the WTO and the multilateral trading system it represents. This was the motivating force underpinning the ministers' discussions in Singapore which sought commonality of interests rather than stressing our differences. Cooperation and compromise, not contention and conflict, were evident throughout the conference.

The road ahead . . .

Of course, we cannot and should not live on past glories. The success of the SMC marked the coming of age of the WTO. The WTO has proven itself to be a mature organization capable of tackling contentious and potentially divisive issues. More importantly, it managed to resolve these issues to the satisfaction of all its members. This has firmly established the WTO as an effective and credible international organization and augers well for its role as a forum for the discussion and negotiation of trade-related issues and agreements.

However, we need to look ahead.

Indications from Geneva are that the WTO is slowly stirring back to activity following the SMC. Among the immediate tasks would be the completion of Basic Telecoms Negotiations and follow-up technical negotiations on the ITA. Work would also start on establishing the Working Groups on Trade and Investment and Trade and Competition Policy that were agreed upon at the SMC. Work on implementing the Action Programme for Least Developed Countries, adopted in Singapore, has also begun. In addition, work on the financial services negotiations will resume soon.

It is time now for us to again roll up our sleeves and work toward the future to maintain the momentum of trade liberalization built up during the Uruguay Round and strengthened by the success of the first WTO MCs. I am sure that we will continue to progress steadily on the road to greater trade liberalization and global prosperity.

The participating regions are Australia, Canada, Taiwan, European Union, Hong Kong, Iceland, Indonesia, Japan, South Korea, Norway, Singapore, Switzerland, Turkey and the United States.



Photo: Kyodo News Service

All participating nations indicated a positive cooperative posture at the Singapore Ministerial Conference.