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## PHILIPPINES

### Statement by the Honourable Jose T. Pardo Secretary of Trade and Industry

The Philippines shares the view that a balanced work programme for the WTO is extremely essential in setting the direction of the multilateral trading system at least over the next ten years. I do not have any doubt that this work programme will be critical as well in enhancing the value of the WTO for all of us, and, more importantly, in ensuring its continued success.

But I am clearly aware that consensus on the work programme has remained elusive. To the thousands who belong to interest groups and who will closely observe how we conduct ourselves over the next few days, the task ahead may indeed appear daunting. And there are those who wish that we fail.

I am convinced, however, that we still could prove them wrong for we have the precious opportunity here in Seattle to achieve consensus on a viable work programme. We may not necessarily need to agree to launch negotiations on each and every issue presented to us. But we can at least agree on how best to keep the momentum on trade-related issues which are intractable today. On the basis of good faith, a firm commitment to the objectives of the WTO, a deeper sense of fairness and equity mindful of the needs of developing countries, and last but not least, maintain utmost transparency among Members, we can – and we will – achieve such consensus!

I believe that as we set out to fulfil our collective responsibility, we must be fully cognizant of three fundamental elements.

First, in order to set the WTO in the right path along its avowed objectives, it will be of paramount importance that we collectively agree to pursue in good faith what we have already agreed to pursue in the first place.

A case in point is the built-in agenda in the GATS. We have all been focused on the mandated negotiations on services, neglecting that work on the emergency safeguard measures was supposed to have been completed in 1998. The deadline for this work has since been extended until the end of next year. I cannot overemphasise how important agreement on such measures will be, especially as we pursue further progressive liberalization in services.

Another case in point is agriculture – and one that is especially close to the joint head of our delegation, Agriculture Secretary Edgardo Angara.

The Agreement on Agriculture mandates negotiations to commence next year. At the very least, the work programme should spell out a minimum in respect of the scope, modalities and time-frame for the negotiations. Unfortunately, even this minimum is unacceptable to a few Members.

Other Members do not adhere to the goal of substantial, immediate and lasting reforms in the area of export and domestic subsidies. Market access alone appears to be their main concern. I am afraid that this situation hardly gives us, and many other developing countries, any economic and political justification for further liberalization.

Extraneous issues such as the alleged multifunctional character of agriculture have even clouded the issues. This sets a dangerous precedent, one where rich, industrialized countries demand special and differential treatment for concerns that are not even related to agriculture.

I am equally alarmed that other Members think that special and differential treatment of developing countries (or S&D) can be downplayed, if not pushed off the negotiating table. S&D is a legitimate concern that must be addressed fully and concretely in the process and outcome of the mandated negotiations. Food security, rural development and poverty alleviation cannot be glossed over through mere preambular aspirations and provisions that are, at best, lip service.

Together with the Cairns Group, the Philippines only asks that we come to an agreement on effectively launching the mandated negotiations as we have already agreed six years ago.

Second, to enhance the value of the WTO for the majority of its 134 Members, we must learn to accept that certain agreements do present to many developing countries implementation difficulties and onerous obligations that need to be resolved urgently.

A number of my colleagues have rightfully identified a number of these agreements, and have made proposals that, among others:

- Deal with extending transitory periods, such as in TRIMs and Customs Valuation;
- clarify existing rules, such as in Anti-Dumping and Subsidies; and
- seek to operationalize provisions, for example in SPS and TBT, to concretely address the disparities in the ability of developing countries to implement their obligations and enforce their rights.

I am grateful to these colleagues for their exemplary effort, and we continue to support their proposals. These implementation issues cannot solely be addressed through technical assistance, and worse, be dismissed as attempts towards a two-tiered standard of obligations in the WTO. These problems will persist, and cry out to be urgently resolved. As long as the WTO strives to become a truly universal and credible organization, we must collectively heed this cry.

It is in this regard that the Philippines recently circulated a proposal on a declaration on developing countries. It seeks to establish a working group that will focus on and address the concerns of developing countries.

And third, to ensure the continued success of the WTO, we should be able to formulate an agenda that represents a mutuality of interests and benefits across all Members. In respect of the new issues, we must be careful not to unwittingly impose the folly of over-ambition upon ourselves.

Proposals indeed encompass a wide array of national interests and systemic pursuits that I am sure each one of us believe will allow the WTO to keep pace with globalization, especially with the impact of new technology on how we are able to trade in goods and services.

But we have also witnessed since our 1<sup>st</sup> and 2<sup>nd</sup> Sessions that not all issues which are important to a few Members are equally exigent for other Members.

A number of issues – such as those on investment, competition policy, and even trade facilitation and electronic commerce – are plainly not ripe for negotiations. We should, however, be able to simply continue useful analytical work on these areas.

And then, there are issues like labour and the environment, which the principle of subsidiary dictates should be dealt with appropriately and competently by other international organizations. Other issues, such as transparency in the operation of the WTO with respect to civil society – if handled overambitiously – can only be a disservice to the inter-governmental character of the WTO Treaty. We need to be exceptionally circumspect in addressing these legitimate issues.

In conclusion, the Philippines stands ready to actively participate in the process that will ensue over the next few days. I sincerely hope, however, that in whatever we do, we will be imbued with a strong sense of realism of what is possible now or in the future, and what is better left untouched. I also trust that our work will continue to be conducted with the fullest participation and utmost transparency among Members.

On this note, I wish to thank you and your delegation, the organizers of this Conference, and the warm people of Seattle for welcoming me and my delegation. And to all the Members of the WTO, I wish all of us success.

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