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JAPAN

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It is indeed a great honour for me to have the opportunity to participate here at the Fifth World Trade Organization Ministerial Conference, following the Fourth WTO Ministerial Conference held in Doha.

We have gathered here in Cancún to fulfil the important mission of carrying forward the spirit of Doha as we take another step toward realizing our ideals on "world trade".

Fifty-six years ago, our predecessors took a major first step forward when they agreed to conclude the General Agreement on Tariffs and Trade (GATT). Through the GATT, they not only hoped to achieve growth in the global economy. They hoped that through trade, a solution would be found to the issues of development, and that ultimately trade would contribute to greater security, and eventually to global stability. Their noble aspirations were based in their deep reflection that the "first wave of globalization" that began in the nineteenth century gave rise to the economic confusion that led to the global tragedies that plagued the first half of the twentieth century. The fact that they could maintain their noble aspirations and successfully conclude GATT is indeed proof of their commitment.

We stand now at the very center of the "second wave of globalization". The rapid pace of economic and social transformation and the inability of system reform to keep apace have resulted in "systemic vacuums". Indeed, we are now once again directly faced with a crisis. This crisis has left us bereft of the benefit that ought normally to ensue from the process of globalization, and moreover, has expanded the gap between the haves and have-nots, while also bringing to the fore issues of public health, environmental issues and even issues of terrorism. Although trade is not the sole solution, trade relates to all of the global issues that we face and it is my firm conviction that the WTO has the ability to adapt to the challenges of globalization.

Japan, together with other like-minded countries, is strongly calling for negotiations to be launched on cover new issues that are commonly referred to as the "Singapore Issues", such as investment and trade facilitation. Our thinking in this regard is based on our conviction that, just as our wise predecessors who formulated GATT indicated, we must not attempt to close off new streams of global economic activity, but rather, the best way forward is to face the new issues with the participation by all countries of the world. I am fully aware of the concerns expressed by some developing countries regarding the launching of negotiations in investment and other Singapore Issues. I would ask whether there is any forum other than the WTO in which developing countries can participate in the making of global rules, rules that are of great interest and concern to developing countries, and where these concerns may be met through extensive capacity-building. All of us here are aware that the Doha Round is known as the "Development Round". After all, is it not the mission of the WTO to ensure that all countries, including developing countries, participate fully in rule making toward the future?

In the area of Agriculture, our basic stance is that we should aim to establish rules which enable "the coexistence of various types of agriculture". The basis of discussions should be to fully respect the diversity of each country's agriculture under quite different conditions, and to duly take into account non-trade concerns such as environmental protection and rural development. Japan provides one of the most open markets of agricultural products to all countries including developing countries as its food self-sufficiency ratio has declined to the level as low as 40 per cent. Japan is committed to continuing further reform. The only way to achieve this end is to pay full respect to, among others, the position of net-food importing countries which will bear the heaviest burden of reform. I would like to stress that Japan's position to strongly oppose the mandatory expansion of TRQs and tariff capping is natural and indispensable for Japan to achieve "the coexistence of various types of agriculture" while continuing to reform further in the most open market in the world.

In the non-agricultural products sector, Japan supports a single and simple reduction formula in order to achieve some rectification of the existing tariff differences among countries. This issue is often characterized as a conflict between developed countries and developing countries. This is not our understanding. We believe that even among developing countries, there are large differences in tariff rates, and rectifying such tariff differences will lead to expansion in global trade, which will naturally lead to an increase of South-South trade.

I would like to close my remarks by telling you that it is with great excitement that I embrace the grand undertaking that we are embarking upon as we seek to create a new framework for "world trade" and carry on forward from Doha. I intend to spare no effort as I work with my colleagues from all nations to ensure that the negotiations on the Doha Development Agenda (DDA) forge a great step forward toward success here in Cancún.

Finally, I would like to welcome Cambodia and Nepal who will be the first two LDCs entering the WTO since its establishment. I hope that other countries in the process of accession, including countries such as Saudi Arabia which have already concluded bilateral agreements with Japan, will accomplish accession shortly.
