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Statement by H.E. Mrs. Yoriko Kawaguchi
Minister for Foreign Affairs

I would like to thank President Fox and the people of Mexico for hosting this important Conference. I would also like to express my gratitude to Dr Supachai, Ambassador Castillo and the WTO Secretariat for their hard work for the preparation of this Conference.

I would like to take this opportunity to express, on behalf of the Government and people of Japan, the deepest condolences to the bereaved family, the Government and people of Sweden on the tragic death of Her Excellency Ms Anna Lindh, Minister for Foreign Affairs of Sweden. We have lost one of the most distinguished colleagues, who made a great contribution to peace and prosperity of the world, including her leading role as the Minister for Environment at the Kyoto Conference.

Today is 11 September, two years to date of the horrible terrorist attack. I would like to renew my sympathy to the victims and to their families, as well as to the people of the United States, where it happened. I would also like to say that 11 September was very much in the mind of all of us when we launched the Round at Doha with a view to developing the world economy and, in particular, improving the livelihood of the people in the developing countries. We must not forget this.

Japan worked hard to launch the Development Agenda at Doha. The expansion of trade has been the principal driving force behind the rapid growth of the world economy over the last half century. It is particularly so for the developing economies in the recent past. In this context, the WTO, embodying the multilateral rule-based trading system, has proved to be a very effective institution. It is incumbent on us to continue to improve the governing system of the WTO in light of the changing realities of the world economy, if it is to serve our interests in an effective and enduring manner.

The WTO accords us with a set of rules which ensures that the benefits of trade liberalization will be shared by all, including developing countries. It also constitutes a rule-based system where the strongest is not necessarily assured of reaping benefits but where a fairer distribution of benefits is secured. This world body provides us with a universal platform that integrates diverse Members and prevents us from falling into the trap of the compartmentalization of world trade through the proliferation of regional trade agreements. What we should aim to achieve through the Doha Development Agenda, is to strengthen this system to expand world trade in a balanced way.

I would like to touch upon the three main areas where we need to focus our attention at this meeting. First, on agriculture. We are fully aware that agriculture represents an important opportunity for developing countries to develop. In this connection, we are proud that Japan is the

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largest net food importing country, importing approximately US\$35 billion of food products in the year 2000, roughly half of which is from developing countries. In April this year we expanded the scope of tariff-free quota-free agricultural, forestry and fishery products from Least-Developed Countries by about 200 items. As a result, 83 per cent of the total imports from Least-Developed Countries are now duty-free and quota-free. At the same time, however, it is the responsibility of the government to respond to people's non-trade concerns, such as the preservation of multi-functionality of agriculture. A country like Japan with a sizeable population cannot accept reducing further the ratio of food self-sufficiency, which is already dangerously low. We need to strike the right balance between the expansion of agricultural trade, particularly for the products of interest to developing countries and the desire to continue the necessary reform with a view to securing the co-existence of different forms of agriculture. It is not easy. But we can start working on the Chair's text to find the right balance that is currently still missing, especially in view of too heavy burdens placed on importing countries such as the idea of tariff capping.

On NAMA, an ambitious modality that will result in important market access improvements is a key to world trade expansion. It has been demonstrated that countries which have liberalized more, have grown faster. But here again, we must do it in a balanced way. Flexibilities are needed to address sensitive issues and adjustment difficulties for all Members in order to achieve maximum results. It is a question of providing a balance. Flexibilities should of course be limited in scope to promote and not hamper reform to make one's economy more efficient.

On the Singapore issues, new rules would benefit us all, including developing Members. Our aim is to maximize the benefits of the globalization and minimize its negative effects. That is because globalization with rules is far better than that without. We stand ready to dissipate any concerns that developing Members may have. We are well aware that such rules should allow for enough policy space for development. We are committed to provide necessary capacity-building and technical assistance. The key here is again to find the right balance between responding to new challenges and addressing concerns of developing Members.

In concluding, I would like to say a few words on how we see this Conference. The WTO, since its establishment, transformed the global trading system from a power-based one to one based on rules. We must make here the right political decisions and give clear guidance to our officials to carry on with their work with a view to maintaining the effective functioning of the WTO. A good, efficient rule-based system will no doubt benefit us all, particularly the developing Members.

Mr Chairman, I am determined to work hard with you and all the Members towards the success of this Conference. Let us work together.
