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PAPUA NEW GUINEA

Statement by the Honourable Allan Savenat Mesak Marat
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Revision

I wish first of all to express deep appreciation on behalf of my delegation, to the people and the Government of Mexico for the hospitality extended to us here in Cancún. It is just under two years since the last Ministerial Conference in Doha where members of the organization adopted the Declaration setting out commitments in various areas of the current trade negotiations. Of particular importance is the recognition that development concerns need to be given due consideration in the negotiations.

I wish to reiterate at the outset the message by President Fox of Mexico and the Secretary General of the United Nations, Kofi Annan, that what we want to achieve here is more about development and poverty reduction, and less on trade liberalization. Trade must not be seen as an end in itself but a means towards raising the economic as well as social welfare of our peoples. We also fully support the ACP common position for Cancún, adopted by the ACP Trade Ministers in August 2003 in Brussels.

Firstly, in the market access negotiations, we are particularly concerned with agriculture. We support calls for removal of non-tariff barriers, reduction of high tariffs and subsidies by developed countries, while providing developing countries with special and differential treatment in terms of particular products, compensation for the erosion of preferences and special safeguard mechanisms.

In industrial tariffs, Papua New Guinea has unilaterally liberalized significantly and needs to be compensated. Here, the principle of "less than full reciprocity" must be honoured. Furthermore, Papua New Guinea welcomes the initiative of New Zealand and Canada to liberalize the forestry and fisheries sectors.

I now wish to share some of our experiences in our efforts to liberalize. Since last year, we experienced revenue losses to the tune of around US\$220 million - a sizable amount for a small vulnerable economy. Moreover, since independence, Papua New Guinea's efforts to downstream process its natural resources and improve its manufacturing base have been stifled by lack of technology transfer from developed countries.

The Doha Declaration agrees to place the needs and interests of developing countries at its heart. This noble principle must be reflected in the modalities and results of the negotiations. Clearly, development issues must be given priority. A substantial package of economically meaningful special and differential treatment provisions must be adopted, going beyond the existing proposals.

We must not leave Cancún without agreement on resolving implementation issues. For Papua New Guinea, a particular concern in this regard is the cost of implementation given that our limited financial resources are earmarked for the development of our social and education sectors and trade is not a priority. Appropriate consideration by our development partners would be helpful in this regard.

Papua New Guinea is appreciative of the support given by Members on the Small Economies Work Programme. It reaffirms that this organization is concerned on the particular difficulties and constraints faced by the small vulnerable economies such as mine, in the multilateral trading system. We also appreciate the assistance of organizations like the Commonwealth Secretariat, the Pacific Islands Forum Secretariat, the CARICOM and the Indian Ocean Commission for their efforts in pursuing the interests of the small vulnerable economies.

However, we are disappointed that little progress has been made on the issues of concern to small vulnerable economies and call on the Cancún Ministerial Conference to take decisions to solve our trade problems and to ensure our effective participation and fuller integration into the multilateral trading system in a manner that promotes our development.

Papua New Guinea calls on the WTO Members to therefore give renewed political impetus by taking necessary decisions in this Conference. In this juncture, PNG wishes to support the statement made yesterday by the Honourable Minister of Botswana representing the ACP Countries and the statement to be made this afternoon by the Honourable Minister of Fiji on behalf of the small vulnerable economies.

In regard to TRIPS and Public Health, Papua New Guinea welcomes the agreement adopted by the General Council and commends all Members for their efforts in reaching that agreement which will give hope to some developing countries that are affected by some of the world's worst epidemics.

In Services, Papua New Guinea supports further liberalization in sectors that are of interest to developing countries including GATS Mode 4 on temporary movement of natural persons.

My Government's decision to participate in the global economy and the trading system is evidenced by the introduction of the Export Driven Economic Recovery and Development Strategy as well as the formulation of a new Trade Policy. In this connection, Papua New Guinea appreciates the assistance of international organizations such as UNCTAD, the Pacific Islands Forum and others in the formulation of such a policy to strengthen this Export Driven Strategy.

In conclusion, these developments on tariff reduction, market liberalization, and trade policy formulation are measures not taken in isolation, but are an integral part of the social and economic objectives enshrined in the National Goals and Directive Principles in the Constitution of Papua New Guinea.

Unlevel trade playing fields and diversity of thoughts on trade issues we are discussing now in Cancún inevitably demands transparent, truthful and balanced contributions and commitment for humanity's sake. Cancún must make constructive progress in actual poverty alleviation tomorrow. I thank you.
