

WORLD TRADE ORGANIZATION

WT/MIN(96)/ST/34

10 December 1996

(96-5216)

MINISTERIAL CONFERENCE
Singapore, 9-13 December 1996

Original: English

JAPAN

Statement by H.E. Mr. Yukihiro Ikeda
Minister for Foreign Affairs

On behalf of the Government of Japan, I would like to express my sincere respect and gratitude to Prime Minister Goh, Chairman Yeo and officials of the Government of Singapore as well as Director-General Ruggiero and the staff of the WTO Secretariat, who have made great efforts to prepare for this Conference.

Japan's average tariff rate on industrial goods will become 1.5 per cent after implementing its Uruguay Round commitments, but in addition to that, Japan has accelerated in April the implementation of tariff reduction on 697 items of industrial products for approximately two years. This acceleration was implemented as a part of voluntary liberalization measures in the framework of Asia Pacific Economic Cooperation, APEC. And in the light of Japan's conviction in open regional cooperation, my Government has applied this acceleration of tariff reduction to all countries on the most-favoured-nation basis. The reason that Japan is taking such measures to advance trade liberalization even in the post-Uruguay Round period is that my Government believes that it contributes to the growth of world economy and the promotion of Japan's national interest.

This Conference provides an important opportunity to advance the liberalization of world trade and promote its smooth development and expansion. Needless to say, it is important to ensure the full implementation of the results of the Uruguay Round, but, that alone is not enough. It is essential for us to demonstrate that we are committed to promote further liberalization as well as to address new issues relating to trade.

Based on such a recognition, I would like to share with you my thinking from three aspects centering on issues on which Japan has been taking initiatives, namely, the promotion of further liberalization, formulation of multilateral disciplines and dispute settlement.

First of all, on advancing trade liberalization, I would like to mention the negotiation on trade in services as well as further liberalization. On the continuing negotiations in the service area, we have to admit candidly the fact that the WTO was not able to achieve sufficient results in the past two years. We have to advance the negotiations on basic telecommunications whose deadline is next February, as well as on financial services, with a determination to reach agreement on an MFN basis within the agreed time-frame. Furthermore, as to the maritime transport services, I strongly hope that all Members will positively participate in the next negotiations to attain agreement.

On the issue of further liberalization, I believe it is important to advance further liberalization in areas where we can, in addition to those works whose timetable is agreed upon. On the elimination of tariffs in the area of information technology, which can be regarded as the basic infrastructure for

./.

the future industry, known as ITA, I ardently hope that we will have an agreement as the most significant achievement of this Ministerial Conference in the area of trade liberalization. Also, I would like to mention that a meaningful outcome was achieved in agreeing to the expansion of the scope of the lists of tariff elimination on pharmaceutical products.

I believe that formulation of multilateral disciplines will become an increasingly important function of the WTO in order to ensure the smooth flow of trade against the background of deepening economic interdependence and globalization. Japan has thus far taken initiatives in presenting proposals for the WTO to improve its capacity to review regional trade agreements to make sure that they complement and reinforce the WTO, and to ensuring that the WTO and the Multilateral Environment Agreements respect and cooperate with each other since we regard these areas as being important for the WTO. I have much to expect for continued work in the future.

Japan is proposing that the work relating to "trade and investment" and "trade and competition policy" should be initiated in the WTO as new challenges for the future. With regard to trade and competition policy, it is important to take up this issue including the aspect of preventing the abuse of trade measures which distort competition. I am encouraged by the support of many developing Members in initiating an examination of those issues. Undoubtedly, these issues encompassed new problems. Therefore, I believe that it is appropriate to start with an "educational process" which does not prejudge the future course to be taken. Japan also welcomes work to be undertaken towards the development of a new arrangement centering on transparency of government procurement.

With regard to dispute settlement, I am pleased to note that the WTO is functioning effectively since its start. Japan regards this function of the WTO very important and respects it. Having said this, we must also keep in mind that while utilizing the dispute settlement mechanism under the WTO Agreement, its spirit is to work as hard as possible to settle disputes at the stage of bilateral consultations between the parties concerned, and resort to legal dispute settlement procedures involving a panel consisted of third parties only in inevitable cases as provided for in the Dispute Settlement Understanding.

In addition to these three aspects, I would like to add that, in order to strengthen the open multilateral trading system, it is important to provide assistance to developing countries, particularly the least developed among them, through such means as adoption of a plan of action, so that they can be integrated in the system and benefit from trade liberalization, as well as to realize a prompt accession of China and other economies which are in the process of application.

Finally, since we are asking the WTO Secretariat to do a great deal of work, I would like to emphasize how important it is to support the activities of the WTO Secretariat, so that its able staff members may perform their function to the fullest.

I wish to conclude my remarks by urging my fellow Ministers to exert flexibility in order to send in unison a clear message to the world, through this Conference, of the direction in which we want to see the WTO to advance in the future.