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Subject: Speech by BG (NS) George Yeo, 30 Nov 99, 2.50pm (Seattle, United States Time)

Singapore Government

PRESS RELEASE

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STATEMENT BY

SINGAPORE MINISTER FOR TRADE AND INDUSTRY,

GEORGE YONG-BOON YEO,

AT THE THIRD WTO MINISTERIAL CONFERENCE,

30 NOVEMBER 1999, 2.50 PM

SEATTLE, UNITED STATES

A ROUND OF HOPE

1 We gather here this week to launch a new round for the new millennium, which will be the first after the end of the Cold War. For over two billion human beings living in the former centrally-planned economies and in the developing world, the age of ideology is over. They look now to the global market for a better life. This round should be a round of hope for all of them.

2 China's entry into the WTO is an expression of this hope. In 10 or 20 years' time, the recently concluded negotiations between China and the US on China's accession will be seen as a major historical turning point for China, for the Pacific and for the world. The world has become less unpredictable as a result of China's incorporation into a ruled-based global trading system. China will become a major economy in the next century. Its entry into the WTO will make a big contribution to global stability and development.

3 Unfortunately, the end of the Cold War also means that there is no longer a common external threat unifying the open market economies. Domestic issues have therefore become more important. NGOs are now a significant factor in the politics of many countries. Without a common vision of the future, our negotiations can be bogged down by domestic political pressure. To avoid this, the US, the EU and Japan must exercise joint global leadership. Together they make up about 70% of the world economy. I believe and hope, as many of you do, that in the end after tough negotiations, there will be agreement among the three.

4 However, in coming to an agreement, it is of paramount importance that the interest of the developing countries should also be taken into account. They should not be ignored or pressured at the last moment to accept an agreement that they did not help to put together. The developing countries have only one weapon which is to block the launch of a new round. But this is a nuclear bomb which if used will also damage themselves. During the Cold War, some of these countries could use the Soviet Union as a bargaining chip. It would be unwise for the developed economies to be mean-spirited to them because the Cold War is over. In reality, in monetary terms, being generous towards the developing countries would not cost the developed economies very much.

5 Opening up the agricultural sector will mean a lot for many developing countries. For others, greater market access in labour intensive sectors will enable hundreds of millions to pull themselves out from abject poverty.

6 We know that, for some sectors in the developed economies, there are strong domestic pressures to protect inefficiencies. This is a political fact we cannot ignore because of the local nature of democratic politics. For this reason, it is important that this new round be broad-based enough so that each country can make the necessary internal trade-offs. Each country must be able to garner enough supporters for trade liberalisation. The call for comprehensiveness, however, should not be a cynical way to prolong negotiations and delay the opening up of politically-sensitive sectors.

7 For the developing countries, the proposals to discuss the relationship between trade on the one hand, and good governance, environmental protection and core labour standards on the other, are viewed with mixed feelings. All of us desire good governance, environmental protection and core labour standards. It cannot be that those who live far away care more for these issues than we ourselves do. The key is to see clearly the motivations behind the proposals. Where the motivations are protectionist, let us recognise them for what they are. Where the motivations are well-intentioned, we should in our own interest listen carefully and adjust our policies.

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8 As the experiences of many countries have borne out, freer trade is our best hope for the future. When the opportunities for rent-seeking behaviour are reduced and alternatives are available to the citizenry, the result is better governance, a better environment and higher living standards.

9 That hope must not be dashed here at Seattle. The alternative to freer trade is a world divided into economic and political blocs and a more dangerous future for everyone. Let us choose the brighter future.

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