

**AN OPENING SPEECH BY HON. DR. JUMA NGASONGWA (MP),  
MINISTER OF INDUSTRY AND TRADE ON THE OCCASION OF  
OFFICIAL OPENING OF THE PRE-CANCUN SENSITISATION  
WORKSHOP; ESRF 12<sup>TH</sup> AUGUST, 2003**

**The Executive Director of Economic and Social Research  
Foundation (ESRF), Prof. Haidari Amani,  
The Executive Director of African Economic Research  
Consortium (AERC), Prof. William Lyakurwa,  
The Permanent Secretary in the Ministry of Industry and  
Trade, Mr. Ahamed Ngemera,  
Invited Guests/Workshop Participants,  
Friends and Colleagues,  
Ladies and Gentlemen.**

**Chairman,**

The World Trade Organization (WTO) is a very important organisation today than ever before. WTO is even more important than the preceding General Agreement on Tariffs and Trade (GATT). Two main reasons explain why the WTO is more relevant now than its predecessor-the GATT. **First**, this is an era of increased globalisation and trade liberalisation. Hence, WTO, which symbolises a rules-based multilateral trading system, if properly utilised, will enable international trade to be conducted within the rules and disciplines taking into account actors of different sizes and

capabilities. **Second**, WTO is more encompassing in that it includes all aspects of trade and trade-related matters that were not included during the GATT era. These include, among others, Trade in Services, Trade-Related Investment Measures (TRIMS), Trade-Related Intellectual Property Rights (TRIPS), Trade and Environment, and Dispute Settlement Understanding.

I regard this workshop, which has brought various stakeholders, to be very timely. The workshop is significant, given the complexities of WTO issues, and the generally accepted notion that increased international trade is good for growth and poverty reduction. This is the era of transparency in almost all undertakings including government decisions. Gone are the days when most of the government decisions, including contractual international obligations, were regarded as confidential.

We all now recognise that WTO issues have a resounding impact to most, if not all, of the Tanzanians: as consumers, producers, traders, manufacturers and even leaders. It is the government policy to provide an enabling environment and involving the private sector in every aspect of economic policy-making and implementation. We recognise the importance of raising awareness of our citizens on what is taking place in this post-Doha and pre-Cancun round of trade negotiations. The normal practice in the developed and more advanced developing countries is that the private sector influences

their government to negotiate in specific areas of their interest, as opposed to LDCs where government is continuously encouraging the private sector participate in this forums. Thus, it is imperative that we mount vigorous efforts to raise the awareness of our citizens on what is at stake and what we all must do together to derive maximum benefits for our nation from the multilateral trading system. Globalisation is here to stay. It is no longer a matter of choice. It is a question of how we prepare ourselves to face the challenges of globalisation and thus reap its benefits and wade off its negative impacts.

I am sure, by now, some of you, if not all, are aware of the scheduled Fifth WTO Ministerial Conference that will take place from 10<sup>th</sup> to 14<sup>th</sup> September 2003 in Cancun, Mexico. This is the highest decision-making organ within the WTO structures at which Ministers and their delegates from the developed, developing and least developed nations meet and discuss trade issues of concern to all of them. The Cancun meeting will be a kind of mid-term Doha Round review of trade negotiations as mandated in Doha Ministerial Declaration of 2001 and is due for completion early 2005. The main objective of this mid-term meeting is to review progress made on the Doha Work Programme and identify key areas of agreement and disagreement in the different proposals submitted by member states, and provide ways and means in which progress can be made in areas of disagreement.

Eight of the areas, including implementation issues, agriculture, services, industrial tariffs, subsidies, antidumping, regional trade agreements and the environment, are to be concluded as a “single undertaking” by 2005. Negotiations on Dispute Settlement Understanding is on a separate tract. Negotiations on investment, competition policy, transparency in government procurement and trade facilitation (popularly called “the Singapore issues” or “new issues”) will take place after the Fifth WTO Ministerial Conference in Cancun on the basis of a decision to be taken by **explicit** consensus on modalities. However, we are under extreme pressure by developed countries to start negotiations on the Singapore issues this time round. We say that the agenda is already huge and overloaded; besides, we insist that the clarification stage for each of the issues be undertaken first before we enter negotiation on modalities.

At the Cancun Conference, negotiators would tackle appropriate issues with the aim of improving trade or trading relations between countries. Indeed, we can observe the complexities of issues that the LDCs and a country like Tanzania faces. Negotiation alliances, including those in which Tanzania is a member, such the group of Least Developed Countries, SADC, the African Union and ACP countries (under the Cotonou Agreement) have formed their positions and areas of focus.

Tanzania chaired the LDCs group from 2001 after hosting the first meeting of LDCs Trade Ministers in Zanzibar in July that year. The first LDCs meeting helped to raise awareness of issues of interest and articulated their demands known as the LDCs - Zanzibar Declaration. That was our position and, indeed, is still our position.

The LDCs Trade Ministers met in June this year in Dhaka, Bangladesh and unanimously drew the Dhaka Declaration which defines their concerns and interests on the various issues to be discussed at the Cancun Conference. This is an outcome of our experience learned from the previous WTO meetings where developed countries have given little attention to our needs. As a result, we have found the need to work in unity as the only way we can make the international community appreciate our concerns and do something about it.

In the Dhaka Declaration, the Trade Ministers of LDCs made a joint statement showing their disappointment and concern with the slow progress of implementation commitments contained in the WTO Ministerials which were held in Marrakech, Singapore and Doha. In addition to the Dhaka Declaration, there are also the Mauritius Declaration of the African Union and the ACP Declaration which was adopted by the ACP Trade Ministers in Brussels at the beginning of this month. For the African Group and Tanzania the stakes in the current WTO round are quite high. The major areas of focus include:-

- (i) Trade in Agriculture
- (ii) Trade in services
- (iii) Market access for non-agricultural products
- (iv) TRIPS and public health
- (v) Singapore issues (investment, competition, transparency in government procurement and trade facilitation).
- (vi) Special and Differential Treatment
- (vii) Implementation-related issues and concerns
- (viii) Capacity Building and Trade-Related Technical Assistance
- (ix) Transparency and Inclusiveness in WTO Negotiations and Decision-Making
- (x) WTO Rules.

Negotiative positions on all these areas have been well documented. What is required is to reiterate these positions and to evolve a consensus for a successful meeting and thus avert a Seattle reappearing in Cancun. African, Caribbean and Pacific countries should not be asked to be flexible as they have all along exercised considerable flexibility. Any further pressure to ask them to be more flexible will lead them to breaking their backs which will be both tragic and disastrous.

**Mr. Chairman,**

International trade is important for development and poverty reduction. It helps raise and sustain growth, which is a fundamental

requirement for reducing poverty through giving firms and households access to world markets for goods, services and knowledge, as well as by lowering prices and increasing the quality and variety of consumption of goods and services, international trade is also good for fostering specialisation of economic activity into areas where countries have comparative advantage. But the primary determination of the benefits from trade is a country's own policies – based on the principle that “what you do is what you get.” Determining appropriate trade policy stance and the associated complementary policies for a country should consequently feature in the design of development and poverty reduction strategies. This will in part be affected by what other countries do.

A major question confronting many developing countries such as Tanzania is when and how trade policy should take into account the fact that the global trade environment is distorted by a variety of policies pursued by trading member states. For example measures that restrict market access for developing countries' exports and that lower or raise the prices of our exports and imports which have direct negative effects on investment incentives and the growth potential of our economies.

The WTO is a forum both to negotiate improved market access and to agree on “rules of the game” for the conduct of international trade arena. Tanzania can gain in both fronts. A rules-based multilateral

trading system is beneficial to Tanzania as we are a small player on world markets with little ability to influence the policies of larger trading countries. While to a greater extent WTO rules reflect the interests of rich countries, developing countries can form alliances to push for their interest or at least block some of the trade-distorting policies of the rich countries. A policy such as agricultural subsidies reflects the use of such domestic support policies in many developed countries that are hurting hundreds of millions of farmers in developing countries and, especially, in Africa.

This sensitisation workshop has drawn resource persons who would have worked in the areas of WTO and will therefore provide basis for discussion of these issues. The issues will cover agriculture, special and differential treatment, trade in services; the legal aspects of the agreements, TRIPS and public health, among others. These are the prime issues of interest for our country.

**Mr. Chairman,**

The workshop's objectives provide you with an opportunity to advise the government on what and how the few listed issues paramount to this WTO Ministerial Conference Agenda could be handled so as to maximise benefits to all stakeholders. You are, therefore, encouraged to air your views on these issues with Tanzania's interest in mind. I wish you very fruitful deliberations. The Ministry of

Industry and Trade look forward to receiving and accommodating your valuable inputs.

**Mr. Chairman,**

**Ladies and Gentlemen,**

With these remarks, may I now declare that this Pre-Cancun Sensitisation workshop is officially opened.

I thank you so much for your attention.