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Push for sectoral route to free trade (HL)

Fauziah Ismail in Cairo

CAIRO, Tues: The Group of 15 (G-15) may push for a "sectoral approach" towards world trade liberalisation in view of the crippling economic crisis faced by some of its members.

The Malaysian proposal is contrary to World Trade Organisation (WTO) moves to garner support for a multilateral approach but in the wake of the South-East Asian economic crisis, developing countries are increasingly finding the WTO approach impractical.

"The priority now is economic recovery. We (developing countries) are in no position to discuss anything else," International Trade and Industry Minister Datuk Seri Rafidah Aziz told reporters at the end of the first day of the G-15 summit yesterday.

"If the sectoral approach is a better option towards faster trade liberalisation, we should give it due consideration," she added.

Malaysia's proposal to G-15 that trade liberalisation be adopted on a sectoral basis came a week before WTO ministers are to gather in Geneva for their second meeting.

During the Uruguay Round of trade negotiations (1986-1994), which culminated in the formation of the WTO in January 1995, various multilateral trade agreements were negotiated and ratified.

At the first WTO ministerial meeting in Singapore in 1996, more multilateral initiatives were discussed. Prior to that, deadlines for implementation of WTO agreements and commencement of additional negotiations up to the year 2004 had been set.

Among them are this year's review of the operation and implementation of the Sanitary and Phytosanitary Measures agreement, and the Technical Barriers to Trade agreement. Member countries are also scheduled to negotiate broadening and improving the Intellectual Property Rights (TRIPS) agreement.

The 1999 programme includes a full review of the Dispute Settlement Understanding and of the Investment Measures (TRIMS) agreement, and further negotiations on a Government Procurement pact.

Negotiations on agriculture and services are due in the year 2000. TRIPS will again be up for review after January 1 that year while the Trade Policy Review Body will conduct an appraisal of its operations.

The agreement on textile and clothing are due for fresh reviews in 2001 and 2004.

Rafidah said the other G-15 members agree with Malaysia that no new agenda should be introduced at the Geneva meeting, with the leaders stressing the importance of implementing existing commitments before even thinking about entering into new ones.

The minister arrived here at the weekend from the US. She joins Foreign Minister Datuk Seri Abdullah Ahmad Badawi in accompanying Prime Minister Datuk Seri Dr Mahathir Mohamad at the summit meeting.

Rafidah, who had last week led a trade mission to the US, said developing countries are united in resisting pressures for the so-called Millennium Round, a fresh round of trade negotiations which many developed countries want to see launched by the year 2000.

"We have decided that it (the Millennium Round) should not be discussed in Geneva," she added.

Meanwhile, Abdullah said Dr Mahathir tabled a paper at the summit on "The East Asian Crisis: Causes, Policy Responses, Lessons and Issues",

which incorporated inputs from G-15 foreign ministers who had met on Saturday.

"The presidents of Kenya, Algeria, Senegal and Zimbabwe gave their views and acknowledged that the economic and financial crisis, caused by currency trading, can happen anywhere," he said.

The paper touched on the need for a comprehensive review of the international monetary system's present architecture, in line with the decisions arrived at by the G-22 finance ministers at their meeting in Washington last month.

The G-22 finance ministers had called for the strengthening of financial market surveillance, increased transparency in international capital flows, and effective rule-based and adequately funded international lenders of last resort.

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