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## REPUBLIC OF KOREA

Statement by Mr Jong-Hoon Kim  
Minister for Trade

It is an honour for me to address this Seventh Ministerial Conference. I would like to thank Director-General Pascal Lamy, Chairman of the Conference, Minister Andres Velasco, and the WTO Secretariat for their unrelenting dedication and hard work in preparing for this Ministerial Conference.

Under the multilateral trading system led by the GATT/WTO, we have enjoyed the steady development of global economy and trade. From 1947 to 1995, the annual average growth rate in world exports recorded 6.2 per cent, while the GDP scored 3.9 per cent. The world merchandise trade recorded approximately US\$3.3 trillion in 2008, a triple score from that of 1995.

However, the unprecedented financial crisis which sparked last year has dealt the greatest blow to the world economy since World War II, resulting in severe recession. The IMF forecasts that world economy will shrink by 1.1 per cent and that world merchandise trade will decrease by 12 per cent this year. Moreover, the WTO has recently revised its forecast on the growth rate of the world trade in goods to contract by almost 12 per cent instead of 10 per cent. These figures give us a better grasp on how serious the recent economic crisis is if we look back on the first and second oil shocks in the 1970s when world trade decreased by 2 to 4 per cent.

Therefore, it is very timely and significant that, at this Ministerial Conference, we review the role of the multilateral trading system that seeks ways to promote economic recovery and sustainable growth. In particular, the successful conclusion of the DDA negotiations and the strengthening of the multilateral trading system are now more crucial tasks than ever.

Throughout this year, world leaders have expressed their strong political commitment to concluding the DDA negotiations by 2010 on a number of occasions, including the 17<sup>th</sup> APEC Summit in Singapore, the G-20 Summit in Pittsburgh, and the G-8 Summit in L'Aquila. We have come a long way in the DDA negotiations. In particular, a great deal of progress has been made on the modalities for Agriculture and Non-Agricultural Market Access (NAMA). With sufficient goodwill and political commitment, as clearly expressed by many Ministers, I sense that we have a good chance of concluding the negotiations by 2010.

In order to meet this deadline, we need to agree on the modalities for Agriculture and NAMA by early 2010. To this end, a more proactive engagement of our Ministers is required. So far, the Ministers have placed emphasis on the direction of negotiations and focused on garnering political will. Now, we need to shift the gear into action mode to get into substantial issues and narrow the gaps. We recall that the Leaders at the G-20 Summit in Pittsburgh and the APEC Summit in Singapore called for stocktaking of the DDA negotiations no later than early 2010. In this regard, it

would be advisable to convene a Trade Ministers meeting early next year to assess the progress and add momentum to the negotiations on modalities. Korea, as a host country for the Fifth G-20 Summit in November 2010, will exert its utmost efforts to make the Summit contribute to the early conclusion of the DDA negotiations (as it has done in dealing with the economic crisis).

We are at a critical juncture in the process of the DDA negotiations. If we are to complete the DDA by 2010, I believe that there are a number of issues that we should keep in mind. First, our future negotiations should be built upon the progress made to date. Any attempt to reopen the issues already agreed will cause a detour in our negotiations. Second, we need to set for an ambitious and balanced outcome which properly reflects the political and economical sensitivities of each Member country.

Korea stands ready to contribute to achieving extensive market access in industrial goods. Yet, the sensitivity in agricultural and fisheries sectors should be addressed. In order to secure a balanced outcome in all negotiating areas, improved market access in non-agricultural goods and services, stronger rules on anti-dumping and an effective trade facilitating scheme are imperative. As for the rules on fisheries subsidies, the focus should be on how to facilitate a sound fisheries management system and secure a sustainable level of fisheries resources rather than on banning a wide range of subsidies *per se*.

We all acknowledge that development lies at the very heart of the DDA negotiations. We strongly believe that trade liberalization supports the development goal by connecting developing countries to global economy. Moreover, this Round should serve to further integrate developing countries into the multilateral trading system and fully reap the fruits of trade liberalization. Furthermore, in order for developing countries to fully enjoy the benefits of trade liberalization, there is a need to expand Aid for Trade with the aim of helping developing countries, particularly LDCs, enhance their supply-side capacity and trade-related infrastructure.

Korea is a sample case that demonstrates the validity and effectiveness of economic development policy centred on trade liberalization and capacity enhancement. Since Korea acceded to the GATT in 1967, its GDP has soared 230-fold and its trade 654-fold. Once a beneficiary of foreign aid, Korea has now become a donor to various official development assistance (ODA) activities including Aid for Trade. We are now willing to share our development experience with other developing countries to assist them in joining the virtuous circle. In addition, Korea is determined to fulfil its pledge to triple the volume of its 2008 ODA by 2015.

The rules-based WTO system has contributed to the steady growth of world trade by raising transparency and predictability in trade as well as preventing Member countries from taking trade restrictive measures against WTO rules. Furthermore, since the economic crisis of 2008, the WTO has fulfilled an effective role in keeping protectionism at bay by its monitoring activities, in facilitating greater availability of trade finance and expanding Aid for Trade.

And yet, the WTO system faces challenges from inside and outside on the efficiency of the decision-making process or the transparency and inclusiveness in its activities, to name a few.

There is no simple solution to address the various challenges facing the WTO. We may start by setting up an institutional arrangement to garner all the efforts and ideas to develop a more transparent, efficient, and better WTO that works for all of us. In this context, I would like to note that Korea co-sponsored a proposal (WT/MIN(09)/W/1) in October for establishing an appropriate deliberative process to discuss such issues. We believe that this proposal provides a good basis to start the work at once.

We are gathered here for the first time in four years since the Hong Kong Ministerial Conference in 2005. We must not waste this precious moment if we are determined to attain economic recovery and future prosperity. We must reaffirm our belief that the WTO has competence in creating new and real opportunities for the world. I do hope that we, as Ministers will fully utilize this occasion to pool our wisdom and clearly express our commitments for strengthening the WTO, so as to harvest the full potentials that this multilateral trading system can provide for us.

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