Speech by

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At
Launch of

Managing the Challenges of WTO Participation

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(Check Against Delivery)
Ladies and gentlemen

It is my great pleasure to launch Managing the Challenges of WTO Participation.

It is no secret that international trade and globalisation is a favourite subject of mine and I have followed the development of the WTO over the years with great interest.

When I first saw this book, I wondered if people would be a bit daunted by the weight of it and the rather sedate title.

But having gone through it I am sure they will be pleasantly surprised.

It contains a mix of 45 interesting, easy to read case studies with very different themes. It even touches on Bollywood.

From the start the authors engage readers by comparing the intricacies of world trade and the WTO with sport.

Both have rules, umpires, playing fields and players.

As a spectator you feel frustrated if you don't understand the game.

But once you get a feel for it, you find yourself cheering or booing the players on.

In this book you are very capably guided through the game that is international trade and shown the human face of the WTO.

**Global trading system**

This is an important book because it shows what it takes to manage the integration of an economy into the global trading system and what the rewards, or penalties, can be for economies of all sizes.

The way countries – especially developing countries – integrate with the world economy is important for many reasons.

Trade and economic integration is closely correlated with growth and development.

One World Bank study looked at about 100 developing countries and found that the ‘globalisers’ increased their growth rates significantly over the three decades to the 1990s, but the non-globalisers experienced a decline.

No country that has turned its back on international economic integration has prospered. Think of North Korea and then by way of contrast the Republic of Korea.

Think of India and China before they opened their economies and look at them now.

Consider the many troubled sub Saharan African countries: to blame their stagnant economic growth on globalisation as some do is a travesty of economic logic.
Sub Saharan Africa accounts for just 1.3 per cent of world trade and attracts just 1.7% of the world’s stock of foreign direct investment.

Engaging well with the international economy may not be a panacea and may not be easy but it does seem to be one of the keys to sustained economic growth.

Take two countries. Mauritius and Fiji. Mauritius has almost tripled its Gross Domestic Product in the past twenty years. Fiji has not.

Andy Stoler – who is with us today – writes two separate case studies on these countries.

There are many parallels between Mauritius and Fiji.

Both are small island economies. They are distant from large developed country markets and are significantly multi ethnic.

They have been affected by EU tariff preferences on sugar that have, in retrospect, distorted investment decisions and the national allocation of resources.

But what is so instructive about Stoler’s analysis is the way policy responses between these otherwise similar countries is making such a big difference to economic prospects and, in turn, the environment for social and political stability.

There are many other case studies – from countries ranging from Argentina to Zambia - that demonstrate how governments and policy makers in developing countries can best advance their own country's national interests.

It is significant - and refreshing - to see that the case studies were predominantly written by observers and analysts in developing countries themselves and include success stories, failures or works in progress.

They illustrate the fundamental point that the WTO is not, as some would have us believe, some monolithic, faceless organisation that imposes its independent will on supplicant developing countries.

And they also debunk the tired old myth that somehow the WTO is a rich man’s club that systematically neglects or exploits the interests of poor nations.

There are examples of how middle sized and even small economies with less experience in multilateral affairs can achieve significant ‘wins’ in the WTO.

Some of those wins were against economic powers such as the United States.

And I am particularly pleased to see the attention given to the Pacific and some smaller countries in Asia – usually completely overlooked by books that purport to be international in scope.
This book has fascinating chapters on Cambodia, Fiji, Laos, Vanuatu and the Pacific Islands as a group.

I welcome the fact that good quality research relating to these countries occurs because they are countries in our own region and because small and poor economies often have less margin for error in the policy decisions they take.

They also face greater economic penalties if things go wrong.

I also like the way the book deals with subjects that feature in the news every day.

There is an important case study on how Chile successfully dealt with an outbreak of Avian Flu and managed its trade in chickens with the EU.

And how Kenya responded to the highly contentious issue of importing HIV/AIDS drugs.

And some of the case studies are just plain interesting. Who would think that the WTO would handle the case of a Bangladeshi rock band that finds its pop song has been pirated by a ‘Bollywood’ film producer?

Or the case of the Nepalese herbal medicine exporter. They all read like a Sherlock Holmes casebook.

Conclusion

I commend Andy Stoler and Peter Gallagher –for bringing this book together and also the other principal editor, Patrick Low of the WTO, for his contribution.

Cambridge University Press has done an excellent job with the publishing.

I congratulate AusAID for taking the decision to share the cost of this important research with the WTO.

Development is much more than providing money and as the White Paper on Australian Aid says, we will be giving much more attention to development research.

In the right hands, good facts, sound research, and clever ideas can be powerful instruments of policy change and reform.

This book has the potential to be just that.

For these reasons, it gives me great pleasure to announce funding for a second AusAID-WTO publication to illustrate the success of trade and economic reform in reducing poverty.

The Institute for International Business, Economics & Law at Adelaide University will manage the production of the book with a strong editorial team that will again include Andy Stoler.
It will source authors mainly from Australia, Asia and the Pacific and draw heavily on experiences from this region.

The writing of this next book will provide more opportunities to demonstrate that substantive and sustained economic growth and development requires a judicious mix of trade and aid.

-that simplistic slogans like 'trade, not aid' are just that-simplistic slogans.

I wish you success both with this first book and the second one that will no doubt keep some of you very occupied during the months ahead.

Thank you.

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