

DDG Zhang Plenary Statement

UN SIDS4 Conference

30 May 2023

Excellencies, Distinguished Delegates, Ladies and Gentlemen,

It is a distinct honor for the World Trade Organization to participate in this Fourth United Nations Conference on Small Island Developing States (SIDS). We extend our heartfelt congratulations to the Government of Antigua and Barbuda for their generous hospitality. We also commend the efforts of the UN member states in forging a renewed global partnership aimed at integrating SIDS into the global economy and building resilience during these challenging times.

WTO and SIDS

Trade remains a powerful tool for driving economic growth and alleviating poverty. The multilateral trading system, as embodied in the WTO, plays a critical role in maintaining stability and predictability in global trade. Despite the lingering effects of COVID-19, ongoing geopolitical tensions, mounting debt problems, and rising inflation, trade growth has continued. Our recent forecasts indicate a positive trend, demonstrating the resilience and adaptability of the global trading system.

The WTO has always been responsive to the specific needs and challenges faced by SIDS in global trade. Concrete results have been achieved to benefit our entire membership, with particular attention to the special situation of SIDS. Many of their trade interests are addressed

through the Work Programme on Small, Vulnerable Economies (SVEs), which is regularly monitored by the WTO's General Council.

In our recent Ministerial Conference in Abu Dhabi, specific work was mandated to help SVEs better exploit digital opportunities, address constraints from supply chain disruptions, and integrate trade measures to achieve climate goals. Additionally, WTO members have taken significant decisions to ensure a smooth transition for graduating Least Developed Countries (LDCs), which will assist numerous SIDS on their path to graduation.

The WTO has implemented several initiatives to support SIDS, including capacity building in understanding and fulfilling trade agreements, improving market access, and providing technical assistance for trade facilitation. These efforts aim to strengthen the overall trade capabilities of SIDS, ensuring they can participate more effectively in the global economy.

Nevertheless, the inherent constraints faced by SIDS, such as remoteness, smallness, and vulnerability to external and environmental shocks, continue to condition their participation in global trade. The share of SIDS in global trade has remained relatively static, highlighting the need for enhanced efforts to unlock their potential. Their significant role in services trade, primarily driven by tourism, has also become volatile, underscoring the need for diversified economic strategies.

To this end, international community efforts must focus on boosting the trade prospects of SIDS, especially through increased Aid for Trade (AfT) financing. In this context, I would like to highlight three key points:

1. **Next Global Review of AfT:** The next Global Review of AfT will take place in less than a month. I urge all SIDS to actively participate and highlight their specific needs to development partners. Over the past decade, AfT funding for SIDS has made significant contributions, and continued support is essential for sustainable development.
2. **WTO and Sustainable Development:** The WTO and the UN share the common goal of sustainable development, including the sustainability of our oceans. The Fisheries Subsidies Agreement is a testament to our commitment, and I call upon all SIDS that are WTO members to ratify it. Furthermore, we are working towards the conclusion of the second phase of negotiations, which will further ensure the protection of marine resources critical to the economies of SIDS.
3. **Digital Economy:** Digitally enabled services are growing, and the digital economy can overcome scale economies. Several small economies possess the necessary skills and potential comparative advantage to benefit from the digital economy. It is crucial for SVEs to participate more actively in the WTO's ongoing discussions on E-commerce to leverage these opportunities.

Support for ABAS implementation

The WTO stands ready to support the implementation of the specific objectives outlined in The Antigua and Barbuda Agenda for SIDS (ABAS). When it comes to developing and expanding productive capacity, the Aid for Trade (AfT) initiative has been instrumental in providing the necessary resources and technical assistance fostering economic growth and resilience. Additionally, the Standards and Trade Development Facility

(STDF) supports SIDS in meeting international standards to enhance their trade capacity.

Increasing trade and investment is another critical area where the WTO contributes significantly. The Trade Policy Review (TPR) mechanism plays a vital role in helping SIDS improve their trade policies. By providing a comprehensive analysis and constructive feedback, the TPR helps SIDS identify and address policy gaps, enhance transparency, and build capacity for better trade performance. Additionally, enabling market access for SIDS by ensuring the full utilization of preferential trade rules and improving trade facilitation are key components of our support, alongside encouraging private sector investment, through the initiatives such as the Investment Facilitation for Development Agreement, and the Informal Group on MSMEs.

Promoting resilient and sustainable tourism is essential for the economic stability of SIDS. Through the General Agreement on Trade in Services (GATS), the WTO facilitates cross-border trade in tourism services, helping SIDS leverage their tourism potential. Furthermore, the new disciplines on services domestic regulation, announced at the 13th Ministerial Conference (MC13) in Abu Dhabi, are expected to lower trade costs by over USD 125 billion worldwide, benefiting the tourism sector in SIDS. The WTO's New Global Services Trade Data Hub can also provide valuable data for informed decision-making in the tourism sector.

Promoting sustainable ocean-based economies is also a priority. IN this context the WTO Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP) aims to address the environmental impact of plastics on marine ecosystems and promote sustainable trade

practices. Additionally, with the Trade and Environmental Sustainability Structured Discussions (TESSD), WTO members aim to integrate sustainability into trade policies and practices. Finally, the implementation of the Fisheries Subsidies Agreement has as its main objective the protection of marine resources, which are vital for the livelihoods of people in SIDS.

As we work towards fulfilling the objectives and goals of the ABAS, the WTO looks forward to continued collaboration in promoting the prosperity and resilience of SIDS. We wish this Conference every success.

Thank you.
