



## **WTO PUBLIC FORUM 2018**

### **“TRADE FOR PEACE: INTEGRATION OF FRAGILE STATES INTO THE GLOBAL ECONOMY AS A PATHWAY TOWARDS PEACE AND RESILIENCE”**

**Keynote Speech by the g7+ Eminent Person, H.E. Kay Rala Xanana  
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**Geneva, 4 October 2018**

Excellencies, Ministers, Ambassador Alan Wolff Deputy  
Director-General, Ladies and Gentlemen, Good afternoon.

I am honoured to be given the opportunity to address you today on a  
matter that is impactful on the lives of over 1.5 billion of people, who  
suffered and are suffering by decades of wars and conflicts.

These countries are sometime referred to as failed, failing or fragile  
states in the global discourse and have been the focus of humanitarian,  
and development organizations assistance, for decades now.

The g7+ (with the little “g” to avoid confusion) constitute 20 of those so called “fragile” states. While the world has been increasingly integrated and connected through trade, cooperation, and technology, these countries are left out or “farthest left behind”, as it is said nowadays.

Yet, these countries have the potential to provide the fuel for the economic prosperity of the World. Let me mention some of them:

**Afghanistan**, lies across the silk road that connects civilizations and has the potential of regional development hub. It has precious minerals that has not been exploited yet. Instead, it has been the contesting ground for hegemony in the region at the cost of millions of Afghans who have been the victim of this circus.

**Somalia**, has one of the longest coastlines in Africa that can be a destination for tourism, and an exceptional ground for fisheries. Instead, wars inherited from colonization have made the country so poor despite its rich wealth, with its own kids dying out of hunger.

**South Sudan** is one of the oil richest countries in the region and lies on the bank of Nile River that has the potential to lift the whole region out of poverty. Yet, the Civil war has made the country as one of the poorest in the world.

**Democratic Republic of Congo** has underneath it, untapped mineral deposits worth more than 23 trillion US dollars, yet colonization, dictatorship and the civil war has deprived millions of its people even of the very basic resources for decades now.

**Yemen** holds the reservoir of Crude oil and Gas, has one of the best coffee plantation and its honey is known to be the best in the World. But today, nearly 1 million of its own children are exposed to the risk of

severe famine and relies on the charity and goodwill of others due to the War that is going on for years now and has its origin from outside.

Look at **Sierra-Leone, Liberia, Guinea, Burundi, Central African Republic and Chad!** All of them have been bestowed with precious natural resources and arable land that can produce food enough for the continent; Yet Conflicts, civil war and the resulting fragility have made these countries dependent on foreign aid.

My country, Timor-Leste has been bestowed with oil and Gas reserves and we produce the world-class coffee. But given our capacity, we have not been able to benefit fully from the dividends of this wealth as we can't compete with major economies.

The list goes on if I speak of **Solomon Island, Haiti**, Sao Tome Principe, Comoros and others.

Despite the rich potential of these countries, it is extremely saddening to see that these countries are home to the poorest people living in the most miserable condition. It makes us think, why? What is missing? Our answer can only be one: **What's missing is Peace!** Peace is not necessarily "absence of War". In many countries, without war, Peace should be defined as "social harmony".

Lack of Peace is the common feature in all these countries. Peace and stability of these countries have been hijacked and subdued by the greed for hegemony, power and financial gains of others, rich and powerful. It is not that people in these countries do not love to live a prosperous life. It is because, **people are kept overwhelmed with daily hardships and miseries, inflicted on them, and hence they are not allowed to think logically about who gains and who loses in war!**

Excellencies, Ladies and Gentlemen,

Trade, investment and cooperation among the countries in the world bring about prosperity and development. Trade is a peaceful alternative to War, being the basis of global trade in the aftermath of Second World War. **While the so called Trade war has been the contemporary “Buzz Phrase” among the big economies, we perceive that trade can help us achieve Peace.** We, the fragile and conflict affected countries are committed to promote **“trade for Peace”**. Hence, in the global conversation about trade and global economic integration, it is crucial that perspectives and contexts of conflict affected countries are heard and taken into consideration. Our fragility is not an essential characteristic of our countries, but a temporary phase in our trajectory which requires special care and attention to peacebuilding, statebuilding and hence development.

For that to happen, the first and most important condition is **“Peace”**. **Without Peace at home, these countries will remain recipients of charity and aid!**

To sustain the painstakingly achieved peace, our people need basic services such as livelihood, jobs, education, health and etc. States need to be able to maintain providing such services as their ultimate responsibility. This responsibility cannot and should not be assumed by humanitarian and development partners. Their role, instead, is to help our state institutions to be able to serve their citizens by aligning and harmonizing their assistance behind our National priorities of attaining self-reliance in agriculture, food production and other productive sectors.

They need to invest in needed infrastructure and building state capacity to nurture endogenously rather than duplicate and overwhelm it by imposed prescriptions.

Only then can these countries become ready to participate in the global trade. Only then can they contribute on fairer basis to global prosperity. We need to be able to walk on our own two feet, before we can participate in the global trade that can help us achieving prosperity for our people.

Excellencies, Ladies and Gentlemen,

The second most important condition for the fair participation of our countries in global trade is the need to introduce ethical code of conducts in integration of global economy. Our limited capacity, insufficient infrastructure, that need resources to develop, does not mean we have to be deprived of the gains of trade .

Our oceans and our lands are the provider of the raw materials, but the processing of which takes place outside our countries' borders, where most of the subsequent benefits flow. Investors in minerals and gas evade the tax we deserve, through looping us in erroneous complex contracts taking the advantage of our weak capacity to negotiate those contracts.

The richer countries such as those of G20 can do a lot more to help change this state of affairs, not only by helping us to increase our capacity, but also by taking greater responsibility for monitoring and tackling illicit outflows and international tax evasion. The multilaterals

such as World Bank, IMF and others can help us build physical and soft infrastructure.

Just last week, I concluded a historical agreement with Conoco Philipps on behalf of Timor-Leste, the main investor in our oil and Gas reserves of Greater Sunrise. We acquired 30% shares in the joint venture. This is a major milestone, that will enable us to bring the pipeline to Timor-Leste and hence benefit our population from the exploration of our Natural resources.

Excellencies , Ladies and Gentlemen,

The international debate on extreme poverty, affecting over 1.5 billion people, is centred on the transfer of aid, rather than the fact of how to nurture these countries' potential to grow.

Every international report and evaluation does a fantastic job in pointing out the ambition for economic and political power, the corruption and greed of the leaders and agencies of fragile and conflict-affected countries, holding them responsible for the failings in their nations. Still those same reports always lack the courage to identify **how major powers benefit from the Arm Trade and helping Wars.**

As now, solidarity between North and South continues to be a mirage. The focus on certain nations continues to be driven by greed and an unbridled desire for energy and resources. It is this asymmetrical relation between rich States and poor regions that radicalises speeches of hate. The increasing northbound migratory movements by people who are hungry and tired of violence are the most evident and the public effect of this lack of truth when responding to poverty.

To conclude, we all have much to gain from a global system of open and fair trade, but our countries need to be nurtured, prepared and supported to achieve lasting Peace and development. This is probably true for all developing countries, but it is especially important for countries recovering from fragility and conflict. I specially call upon the Multi-laterals to be humble and listen to and accommodate the priorities of these countries. And I see today's Forum as another milestone in moving to that direction.

Thank you very much.