

30 September 2005

## **Official Message from the WTO**

### **Pre-Hong-Kong International Civil Society Forum on LDCs in Dhaka, 3 October 2005**

Ladies and Gentlemen,

The Director-General of the WTO, Mr. Pascal Lamy would have very much liked to be present today. He regrets that, due to prior engagements, it was impossible for him to come. Instead, he has asked me to represent the WTO in your important Forum. It is an honour for me to be here today.

Your meeting comes less than three months away from the WTO's Hong Kong Ministerial meeting, four years after the Doha Round was launched. While the Hong Kong Conference is one of a series of steps towards the completion of the Doha Round, it is not just another checkpoint in the negotiations. The Hong Kong Ministerial Conference must take us forward. In fact, I would say that it needs to take us two-thirds of the way. The remaining one-third will need to be achieved in the period between Hong Kong and the end of the Round at the end of 2006. We cannot allow the Hong Kong Conference to represent a "standstill", or worse to bring us backwards. It is our last chance to move this Round to a successful conclusion by the end of 2006.

Why is this so important ? The results of the Round are about more than trade. The results will help reduce poverty, promote growth, will help developing countries to integrate into the global economy. In a world battered by political unrest and by poverty – a world in which hundreds of millions continue to live on less than \$1 a day – absolutely all engines of economic growth must be switched on. Trade is one such engine and we must continue turning it on. In doing so, of course, we have a common responsibility to ensure that it is switched on for everyone; that no one is left behind. Our efforts to open markets, to improve trade disciplines that create a more level playing field and expand trade will be key contributions to achieving development goals. The recent UN Summit on MDGs made it clear that everyone has a stake in the outcome of this Round.

It is important that all are part of the process. The Director-General has said that he will pay special attention to the needs of the LDCs. He considers it his duty to rebalance the system by facilitating and promoting the interests of small delegations. The negotiating process must be all-inclusive and transparent. He intends to organize the preparations for Hong Kong so as to ensure that these are not just empty words. He will ensure an early circulation of the draft Ministerial Declaration to allow enough time for small delegations to comment. He will create ample opportunity for the LDCs to comment and be part of the process. As far as it is within his power, he is ensuring a flow of information to the LDCs of things that might be important in the negotiations and he intends to maintain this, so that there is full transparency. In terms of servicing of the LDC delegations by the WTO Secretariat, he has recognized that LDC delegations, because of limited resources, need more attention and services by the Secretariat than other groups. As you may know, the current LDC Unit in the Secretariat was established precisely for that reason in 2003. It takes care of

the LDCs' concerns and is the focal point in the Secretariat for all issues pertaining to the LDCs.

What needs to be accomplished by Hong Kong? In agriculture, we need to set a date for the elimination of export subsidies, figures for slashing trade distorting farm support and a package of equivalent ambition on market access. In NAMA, we need to agree on the big numbers to cut substantially but fairly tariffs on manufactured products. In services, where developing countries have now become increasingly important players and which are an ever-increasing part of economies, we also need a big push. We need to arrive, as near as possible, to draft negotiated texts in areas such as anti-dumping and subsidies. Finally, we need to consolidate the good progress achieved on measures to cut down red tape at the border, trade facilitation as we call it at the WTO.

What is in it for development? The development dimension comes in a basket. Let me begin by stressing that "development" is a theme that runs across all aspects of the negotiations. First, running through each of the negotiating issues which I just mentioned to ensure greater market access for developing and least-developed countries in the areas that are of greatest interest to them is the overriding development objective of the Round. Second, the development dimension lies in other areas, such as special and differential treatment, to facilitate their adaptation to any new rules that would emerge from the Round. To do so would mean, looking into the careful "phasing-in" of new obligations. There is the issue of TRIPS and Public Health. Under the general supervision of the Chair of the General Council, consultations are ongoing in the WTO to find ways, acceptable to all, to insert the substance of the Decision of 30 August, 2003 on TRIPS and Public Health solidly into the TRIPS Agreement itself. And the issue of cotton: the General Council's Decision of 1 August, 2004 reaffirmed the importance of the Cotton Initiative initiated by four Cotton LDC African countries, Benin, Burkina Faso, Chad and Mali. Work is progressing on both the trade-related aspects as part of the negotiations on agriculture, and on the development-related aspects. Intensive consultations on the trade aspects of the Cotton Initiative are needed if result is to be achieved by Hong Kong.

The development dimension of the Round furthermore lies in implementation of existing rules and, last but not least, in the provision of technical assistance to enhance the capacity of developing countries to take advantage of expanded trade opportunities and, to the extent possible, to address supply-side constraints. The WTO's major contribution to development lies in reducing trade barriers. But developing countries, especially the LDCs, also need help to benefit from trade. They need assistance to make the system work for them. They need help to build the necessary capacity to take advantage of more open markets, like simplification of border red tape or ability to match food standards. In short, anything to help a country produce a good or service and sell it abroad. This is where we need the active support of our partner organizations such as the IMF, ITC, UNCTAD, UNDP and the World Bank, as well as Finance and Development Ministers. In this context the Director-General very much welcomes the endorsement of the Aid for Trade initiative by the recent meeting of the Development Committee of the IMF and the World Bank. This is crucial for developing countries. At a minimum, we hope that by Hong Kong we can reach consensus on a decision to enhance the Integrated Framework for LDCs, including expanding its resources. Looking to the conclusion of the Round, we should arrive at a more ambitious package of commitments for technical assistance by end 2006.

To end, let me simply say that the WTO has a serious challenge before it. But as the Doha Round proceeds, it is important to remember that the WTO has, and will continue to, evolve as an organization and is opening up more and more to the public. For example, but this is for you to judge, its website and its access to all WTO documents has greatly improved over the past years. Moreover, and this is an important milestone in WTO's relationship with the public, last month the WTO witnessed an important evolution – its first "public" dispute settlement hearing. In a dispute between the US, the EC and Canada on hormone-treated beef, the parties agreed to open the doors of the dispute settlement process for the broader public to see. Such a step, which can only be taken with the agreement of the parties, was an important step towards greater transparency.

WTO's participation in your Forum is in itself a sign of the Organizations' greater openness and transparency. We are keen to open up further to the public. In that sense, I welcome the interest of you, the NGOs of the LDCs in the WTO and your invitation to the WTO to speak in your Forum.

I thank you and wish you a fruitful three days of dialogue.

**Annet Blank, Head LDC Unit, Development Division, WTO**