

13 May 2004
9:52 AM

**Director-General – Talking Points
for OECD Ministerial**

Paris, 14 May 2004

- Mr. Chairman, Ministers, Mr. Secretary-General:
- I would like to thank you for the opportunity to join you in this very important debate. OECD Ministerials are always significant events, but this one in particular comes at a crucial moment for the WTO and for the Doha Development Agenda. The presence of a number of OECD Non-Members, including some key developing country Members of the WTO, provides a constructive setting to make a real, positive difference at this important stage of the Doha Round.
- We should be heartened by a number of positive developments that we are witnessing. I detect a clear willingness of delegations to negotiate with each other and to focus on substance and not procedure. It is significant that our work in Geneva is being followed and supported by efforts in capitals. Since the beginning of this year we have seen a number of very important initiatives and inputs to the Geneva process. I very much welcome the constructive spirit in which they have been made.
- It is also encouraging that our work is being tracked and supported by a series of Ministerial gatherings, of which today's meeting forms part. The recent LDC Ministerial Meeting in Dakar in a sense kicked off this sequence of international gatherings, and it produced some welcome signs of willingness to contribute to broadly acceptable solutions. Other important meetings are coming up in rapid succession in Rwanda, Guyana, Chile and Brazil.

- However, I need to temper this optimism with a sense of reality. We should not be under any illusion about the scale or the urgency of our task. The window of opportunity up to July is still open, but I don't think you need to be reminded that it is very narrow and that it is closing rapidly. We have no time to lose. It is clear that the shape of the framework-level package we are aiming for must begin to emerge by the end of this month if we are to have a chance of attaining our objective.
- Allow me to say a few words with regard to the shape of the July product. In my contacts with Members I have emphasized the need to keep in mind that our task is not to prepare a Ministerial Declaration as we were doing for Cancún. Rather, we are aiming to take the action necessary at this stage, at the level of the General Council, in order to ensure the continued progress of the negotiations and to provide a solid platform to conclude the Round.
- In agriculture, our objective is to reach agreement on a framework for modalities. This framework must be consistent with the mandate for the negotiations set out in the Doha Ministerial Declaration. The agriculture negotiations comprise the three pillars of domestic support, market access and export competition, with S&D being an integral part of all elements of the negotiations and non-trade concerns to be taken into account.
- It appears at this stage that the structure of the framework in the domestic support and export competition areas is reasonably advanced. This is not to say that, before they can be finalised, major political decisions are not required. In this connection, there have already been some very welcome initiatives from some delegations. But it is in market access that we need much more progress at present. While Members are without doubt fully

engaged, they have so far found it difficult to develop consensual approaches that would achieve the objective of "substantial improvements in market access". I urge you all to spare no effort to break this logjam. It is the key to success in July.

- It is clear that, in market access and the other pillars, the framework will not specify all details and, in particular, the figures for reduction commitments. These will be negotiated later. As I have said before - the July package is not the end of the DDA. We should resist any temptation to be over-ambitious at this stage by trying to pre-empt or pre-determine the final outcome. Restraint and some faith are needed. After all, the Doha mandate will still be there and it is against that yardstick that you will all have the chance to judge the end result before agreeing to it.
- With respect to the important issue of cotton, we have made considerable progress since the four proponents first raised their concerns at the WTO. As you know, last month the WTO hosted a successful Workshop in Benin, focusing on the development assistance aspects of this sector. Selected development agencies, the EU and the US will be meeting soon to discuss how to implement the outcomes of the workshop, in coordination with a representative from the African cotton producing countries. Consultations on the trade policy aspects are underway both in Geneva and between high-level officials from cotton producing countries and their counterparts elsewhere. There is a widely-shared view among participants that the optimum path for making headway on the trade policy aspects of the cotton issue lies through the agriculture negotiations. By implication, this also means that failure to reach a framework agreement on agriculture in July will have a very adverse effect on any attempt to make real progress on cotton.

- On non-agricultural market access delegations have also been actively engaging with each other in the search for a framework solution for July. Efforts have to be focused on achieving in the framework text an acceptable trade-off between the level of ambition in tariff reductions and flexibilities. This is where a greater degree of convergence will be required. On Non Tariff Barriers, there is a general feeling that now is the time to push for real progress on this subject. There is general recognition of the importance of the principles of special and differential treatment and less than full reciprocity in reduction commitments.
- On the Singapore Issues, I am optimistic that, provided recent signs of flexibility are followed through, we can soon find the compromise which has eluded us for so long. It would be very helpful indeed if participants in this meeting could send a clear signal of growing convergence in this area. Recent indications from the European Commission will, I am sure, prove useful in this respect.
- In the interests of brevity, I have concentrated on just some of the current key issues for July. Of course, the negotiations and the Doha work programme as a whole are much broader than that. I must make the obvious point that other issues are far from forgotten. We need to make progress across the board.
- Let me conclude by saying that I truly believe that the coming days and weeks are critical for the DDA and to some extent for the multilateral trading system. If we do not seize this opportunity; if we fail to build on the recent positive signs of convergence; and if we neglect to nurture the current political momentum; then we run the very real risk of wasting not only this year but possibly a good part of next year as well. Without a solid platform in terms of framework agreements it could be difficult to

get the round going seriously again for quite a long time. Members of the WTO must ask themselves if they are prepared to accept this responsibility.

- I therefore urge you to use this meeting to build on the good work which has been done in Geneva and elsewhere in the past few months. What we need from your meeting today is a strong, unequivocal message of confidence and determination to reach framework agreements by July.
- We also need this message to be followed up by the right sort of action when we all leave Paris. This means, and I leave you with three points: one, ensuring that your political commitment is translated into the sort of instructions that will produce tangible progress at the Geneva negotiating table. It means, two, giving full support to the negotiating group chairs who will have to co-ordinate the delicate task of building a multilateral consensus. And it means, three, making your key officials available to the Geneva process, possibly for extended periods, as we move towards and throughout July.
- We all share a firm commitment to a vigorous and effective multilateral trading system that works for the benefit of all its Members. I firmly believe that, with the right mix of realism, flexibility and determination, we can re-energize the Doha Development Agenda. Let us seize this historic opportunity.