



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

**CONSEIL AU NIVEAU DES MINISTRES**

**3-4 MAI 2005**

**POINT 7**

***NEGOCIATIONS COMMERCIALES DANS LE CADRE DU CYCLE DE DOHA SUR LE DEVELOPPEMENT***

**OMC**

**Déclaration**

**M. Supachai Panitchpakdi**

**Directeur général**

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**COUNCIL AT MINISTERIAL LEVEL**

**3-4 MAY 2005**

**ITEM 7**

***TRADE NEGOTIATIONS UNDER THE DOHA DEVELOPMENT ROUND***

**WTO**

**Statement**

**Mr. Supachai Panitchpakdi**

**Director-General**

Mr. Chairman, Ministers, Mr. Secretary-General.

I would like to thank you for the opportunity to join you in this very important session. I am grateful that the OECD Council at Ministerial Level has again agreed to focus on the Doha Development Agenda. I am also pleased to see a large number of OECD non-members, including some very important developing-country Members of the WTO, present today.

Your meeting here exactly one year ago provided a significant contribution to our efforts in Geneva to get the Doha Round back on track following our disappointment in Cancún the year before. The impetus provided by you then was instrumental to our success last July, when the WTO General Council was able to adopt the decision known as the July Package.

The negotiations in Geneva since then have gone ahead on the basis of the frameworks contained in the July Package, and I am grateful to all your negotiators for the hard work they have put in since its adoption.

This meeting comes at a crucial moment for the Doha negotiations. We are fast approaching the time when we should be able to start to see the outline of potential outcomes at our Sixth Ministerial Conference in Hong Kong, China in December. In this regard, the work of your negotiators in the next few weeks will be critical for the remainder of the Round. It follows that, in order to see ambitious results emerging from the Geneva process, your continuing close involvement will be essential.

I would like to start by recalling the targets we have set ourselves at the beginning of this year looking forward to the Hong Kong Ministerial. From the process of collective reflection I undertook with Representatives in Geneva, and the first Ministerial gathering of the year in Davos, it quickly became apparent that there was a strong desire to keep ambitions for Hong Kong high, so that the results from that Conference would take us into the end-game of the Round. I sensed the commitment on all sides, and I still sense it, to work towards an ambitious outcome so that the Round could conclude in 2006.

I detected a high level of convergence on the need for a substantial breakthrough in Hong Kong in five key areas, which are:

modalities in Agriculture

modalities in NAMA

a critical mass of market opening offers in Services

significant progress in areas such as Rules and Trade Facilitation, and

a proper reflection of the development dimension.

The month of July was set as a marker in the process, when we should be able to judge across the board whether we are on course for a significant outcome for Hong Kong. This would entail seeing the elements of the potential outcome emerging from the negotiating groups by early July at the latest.

So here we are in early May. Only a few short weeks remain before the July TNC. The question now is whether we are on course or not. I am afraid that the short reply is that we are not. If we do not move

ahead rapidly in the key areas of the negotiations, we will certainly be facing a major problem. Convergence is not built overnight, and time is running out quickly.

A large amount of hard work continues to be put in by everyone in Geneva, but the progress which has been made is slim. Issues which are primarily technical in nature are nonetheless proving hard to resolve. I am increasingly concerned that we are getting bogged down on issues of this sort despite the clear sense of engagement in the negotiations we have seen since the beginning of the year and, most of all, the strong political commitment on all sides.

In the Agriculture negotiations, for example, we appear to have stalled on the first difficult issue — ad valorem equivalents. This issue is a gateway, as it has been called, to being able to move on to discussions on agricultural market access. Instead of solving it rapidly and then moving on to the next in a long list of issues to be addressed, we are still very much just at the start of the process. We also do not know what other surprises might lay ahead. As we speak now, our colleagues are still huddled together in an effort to resolve the AVE issue. It is unimaginable to me that we could leave Paris without resolving this issue.

In the negotiations on non-agricultural market access, or NAMA, we now have a good number of proposals. This is good, but we should now draw the line on the submission of new proposals and start substantive discussions on the basis of what is on the table. A major concern here is the tendency to make negative linkages to Agriculture. We simply cannot afford to wait for Agriculture to move forward before making progress here.

The Services negotiations, which had initially moved ahead with a strong sense of momentum, seem to have fallen into a sense of torpor that seems difficult to escape from. There is an urgent need for not only more offers on the table, but also substantive improvements in those already submitted, in line with the agreed deadline which falls at the end of this month. The rule-making parts of the Services negotiations also need an injection of fresh impetus.

In the Rules areas, including Trade Facilitation, much activity has been taking place over the last few weeks, with many new proposals being submitted. However, with such a wide range of ideas on the table, we must now try to consolidate them to prepare the ground for progress in these areas.

In the area of Development, the S&D Work Programme has met with difficulties. The last meeting of the Special Session had to be suspended because of differences in views on the proposed agenda. We were stuck on procedure, not on substance. Efforts are now being made to revive this stalled process, but the work must start in earnest as soon as possible, since the deadline for part of the work in this area is in July.

This overall picture must be cause for concern. The negotiations are poised on a very fine balance. If we do not make progress in the immediate future, particularly in Agriculture, I fear that we may not be able to stop the balance from tilting us backwards. This may have severe consequences not just for our ambitions for Hong Kong but for the Round overall.

In spite of all this sombre news, I am convinced that it is not too late. Time is not on our side, but if we act quickly, the situation can be remedied. This will require action on the part of each one of you. Let me make three points in this respect which you might like to consider.

First, our approach in the weeks ahead must be balanced. All of us are aware of the negative linkages that can be made at the first sign of trouble in any given area, but I would urge all of you to avoid letting this happen. This is not the same process as last year, when we were developing frameworks. We now have agreed frameworks and the aim is to flesh them out. We must start moving ahead across the

board, and we can wait no longer to see this happening. We do not have time to resolve all these issues in Hong Kong.

Second, I have hear it said repeatedly, including at the TNC meeting last week, that there is a real need for a greater sense of urgency. I would fully agree with this. Despite some signs earlier in the year that we were about to move to real negotiations on substance, we seem to have stalled at the first difficult issue confronting us. We just cannot afford to waste time in this way.

Third, our work must be more result-oriented. I think it is also important to show greater unity of purpose at every level of our work. It has struck me that compared to the same period last year, we are not seeing the same collective determination among the membership when it comes to putting into practice the aims we all subscribe to. We must start to see results emerging from our work which live up to our shared commitments.

With all due respect, I urge all of you in this room to play a role in ensuring that we avoid setting ourselves up for major problems at Hong Kong. You, the Ministers, will be there and you will have some decisions to take. You can act now to influence whether those decisions will provide the platform for a successful conclusion of the Round or not.

I would suggest that after a renewed sense of urgency, what we also need is greater coherence. We need greater coherence between yourselves and your negotiators in Geneva, and greater coherence among you as Ministers. This is why I believe that opportunities such as this, when you can meet and turn your attention to the key issues, provide essential impetus to the work in Geneva. As I said at the start, last year's meeting did exactly that, and I am counting on today's meeting to do so again. We should not say "wait a while" — we do not have time.

The Round was launched as a collective endeavour by you. A successful outcome would have a substantial positive effect on the world economy and on your peoples. Failure would be a major setback for growth, development and the multilateral system. I urge you all to take the necessary steps to ensure that the progress of the negotiations this year, up to and including Hong Kong, sets us up for a timely and successful conclusion to the Round.