

**STATEMENT BY H.E AMBASSADOR AMINA MOHAMED CHAIRMAN OF
THE WTO GENERAL COUNCIL**

AFRICA REGIONAL WORKSHOP ON WTO NEGOTIATIONS CAPE-TOWN

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I am pleased to be in Cape Town and to address the Africa Regional Workshop on WTO negotiations. I would like to thank the Commonwealth Secretariat and Trade Law Centre for Southern Africa (**tralac**), for organizing this event and for inviting me. I truly appreciate the opportunity to consult with colleagues from the Commonwealth on the current status of the DDA negotiations and more importantly to consider together the different ways in which the concerns and interests of the developing and least developed countries can be taken into account as we aim for a balanced outcome.

I believe it is my duty to underscore right from the outset the importance that the entire membership attaches to the Doha round of negotiations yielding tangible development dividends. My consultations, the actual negotiations and the wider expectations clearly show the importance of the development aspects of the DDA.

Now, I must warn you that I bring no good news. We have not made much progress since the July framework. Positions remain inflexible and uncompromising. Nothing that I will tell you today is new.

This workshop therefore comes at an opportune time and I hope it will help us think through some of the difficult issues, provide fresh ideas and the sense of direction that is urgently needed if we are to achieve our objectives. Let me quickly add that those objectives are clear. They are the same ones around which a consensus has been built since the July framework, namely that we must agree to modalities in the key areas of the negotiations if we are to close by 2006.

Current state of play

You will no doubt recall that we did not achieve the July 2005 approximation that we had hoped for. To some that may have come as a surprise but not for those involved in the negotiations in Geneva. In fact as I said on the 29th July 2005 at the General Council – we had come to the realization long before that nothing much would happen for us in July and the challenge before us is to remain deliberate and determined. I also set out, what I believed then and still hold to be the only way forward if we should have a slight chance of success at the 6th Ministerial Meeting.

On the 8th July, 2005 I held a HOD's Meeting at which I reminded members of the scope of the agenda that we needed to cover to ensure a balanced package by Hong Kong. At a subsequent TNC Meeting on the 21st July, the Director-General Dr. Supachai spoke about the state of the negotiations and laid out what he felt needed to happen to change the state of play. Those statements are on the WTO website and could be available to you if you are interested.

I must be very frank I do not believe that endless hours of negotiations in meeting rooms will do the trick. What I do believe though, is that the time has come for the countries that carry the burden of leadership to indicate by how much they intended to meet the mandate that we all committed to in 2001, and reaffirmed in July 2004. I know that to even contemplate a deal in December and a conclusion of the round by 2006, we must at a minimum agree to;

- Substantial reductions in Domestic Support in all areas
- Improvement in Market access across the board
- An end to export subsidies in agriculture, and
- The provision of Financial and Technical Support that would allow the integration of low income developing countries into the Multilateral Trading System.

That is not the sum total. The Doha Work Programme is much broader. But a resolution of these issues will send the signal that there is political will to fulfill the

Doha mandate, and that the big players in the MTS are engaged.

As far as the specific areas are concerned **Agriculture** continues to be the engine that will drive the rest of the negotiations. It is also true to say that it is the mother of all gateway issues. When it stalls everything stops. Despite the tremendous effort deployed which included a number of informal ministerial gatherings there isn't much to be cheerful about. Although I must admit that we now understand the issues at stake better.

On the three pillars let me say the following;

On *export competition* there is clear understanding that all forms of export subsidies have to come to an end and the essential structure is in place, but no end date is in sight yet. There is no agreement yet on the treatment of export credit, food aid and STEs which are of course important to many developing and least developed countries.

On *domestic support* there is a lot of work that remains outstanding including the cuts and disciplines that will apply to trade distorting support. We must review and clarify the green box as well as strengthen the criteria of the Blue Box.

On *market access* major differences remain and no resolution is in the offing at the moment. The structure for market access commitments is the current gateway issue after the resolution of the AVEs in May 2005. There are proposals from the G20 and others that are trying to find and reach for a middle ground on a market access formula which if accepted by all could serve as a basis for negotiation and provide a reasonable way forward. But I am afraid that unless we start making progress soon we shall simply run out of time. By the end of July 2005 we had not discussed issues such as Special Products, Special Safeguard Mechanism and the de-minimis that were put on the table by developing countries as far back as 2003.

Still on agriculture let me say that the African Group in Geneva has made it clear that cotton which is being treated within the framework of agriculture negotiations

is a test of the development credentials of the multilateral trading system. The Group considers that the treatment of cotton will be a pointer to the ability of the Doha Negotiations to produce concrete development outcomes through substantial trade reforms.

The *Non Agricultural Market Access (NAMA)* negotiations have intensified but are intrinsically linked to the negotiations in agriculture. The challenge in NAMA is to reconcile divergent objectives. Some members seek an ambitious outcome through substantial tariff cuts while others have stressed the need to take fully into account the concepts of S & D and less than full reciprocity in reduction commitments. Current efforts in the negotiations are focused on the proposals on possible coefficients to be used in the tariff reduction formula. A group of developing countries have tabled proposals. This includes the ABI proposal as well as that of the Caribbean countries.

Sectoral negotiations in NAMA are not focusing on the possibility of using a critical mass approach. Major efforts are being made in Geneva from all sides to move towards convergence on these issues and the Commonwealth countries must continue to make their contribution.

On *services* which offer an enormous potential for development the drawback remains the low number and inadequate quality of both initial and revised offers. Only 69 initial offers have been received so far. A few developing countries have submitted revised offers. These include those that have made market-opening requests to their trading partners. Trade in services offers prospects of huge development gains including and especially in mode IV. This is an area where technical assistance and support for capacity building is critical to facilitate the participation of developing and least developed countries.

On *development* which is the focus of the Doha Trade Round, discussions have so far focused on special and differential treatment and implementation issues.

The S&D negotiations are vital and there is a clear negotiating mandate for them. But development is not and cannot be limited to these two areas. In fact development is an integral part of the work programme in its entirety. Thus must be reflected in all the core issues of the negotiations; agriculture, NAMA, services, rules including trade facilitation.

We must also not forget that there are a number of elements of the Doha Work programme - which include a number of points of particular interest to developing countries and on which there must be concrete progress by Hong Kong. These issues range from the work programme on small economies to the working groups on Trade, Debt and Finance, and on Transfer of Technology, and from TRIPS and electronic commerce to the work on environment in the regular committee on Trade and Development as well as the commitments we undertook in respect of least developed countries. I must say that although developing countries have thus far been forthcoming in agreeing that attention should be focused initially on what may be considered to be the key areas for the negotiations as a whole, they have put us on notice that they wish to see progress on these other elements by Hong Kong. Let me recall in the same vein that last July we extended the Doha moratorium on TRIPS non-violation complaints and E-commerce duties until the Hong Kong Ministerial.

The road ahead

In my statement to the General Council in July 2005 I expressed what I believed to be the only possible way forward if we are to meet our obligations for Hong Kong: I stressed that we had to use our time more efficiently including by reducing the work of regular bodies and avoiding informal mini-ministerial meetings outside Geneva, to have a more coherent, integrated, centralized and continuous management of the negotiating process and in that way begin to pull the different threads of the negotiations together, to improve transparency and participation especially for smaller delegations and to demonstrate real political will and courage. I think most members agreed with that approach, now we need

to implement it from the beginning of September 2005.

In conclusion, I would just like to emphasize that the road ahead remains replete with challenges. The DDA is behind schedule. Every new delay weakens the credibility and the value of the DDA. We need to approach the coming weeks with a sense of urgency and determination. We are all looking to conclude the Round in 2006, using the Hong Kong ministerial as a platform to take us to the end game. Failure to get there will be a major set back for growth, development and the multilateral system and is not an option.

We all have a big stake in these multilateral trade negotiations and in building a strong multilateral trading system. The DDA is vital to unlock developing countries economic potential. Enhanced trade will contribute to the needed economic growth rates necessary for development and in particular poverty reduction strategies.

Thank-you for your kind attention.