



International Monetary and Financial Committee

Twelfth Meeting
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Statement by Mr. Pascal Lamy
Director-General of the World Trade Organization

Mr. Chairman,

My message today will come as no surprise. We are less than three months away from the WTO's Hong Kong Ministerial Meeting, four years after the Doha Round was launched, and well past the deadline set for its completion. Hong Kong is not just another checkpoint in the negotiations. It is our last and best chance to move this Round to a successful conclusion by the end of 2006.

We have little time, and a lot of work to do. In agriculture, by Hong Kong, 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. 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, on measures to cut down red tape at the border, trade facilitation in our jargon, the good progress achieved needs consolidation.

Above all, we need to remember the development objective of this Round. It will be one of the benchmarks of success. By Hong Kong, substantial results must be in sight in each particular area of negotiations, if their sum is to deliver on the promise of the Doha Development Agenda.

But there is also a growing recognition that part of the challenge lies outside the WTO, if we are to translate improvements in market access or in new trade disciplines into realities for developing countries. Building the capacity they need to take advantage of open markets or helping them to adjust is now part of our common global agenda. The WTO's core role is trade opening, we are not a development agency. This is where the Bank, the Fund and other donors come in.

I am convinced that an Aid for Trade initiative is crucial for developing countries, who represents today two thirds of the WTO membership. I will spare no effort over the coming months to work with you, with WTO developing country members and with Fund and Bank staff, to make it a reality. At a minimum, I hope that by Hong Kong we can reach consensus on a decision to enhance our common existing mechanism for trade related technical assistance for least developed countries, which we call the Integrated Framework. Looking to the conclusion of the Round, I believe we should arrive at a more ambitious package of commitments for technical and financial assistance by the end 2006.

It is difficult to exaggerate the importance of this Round. Its huge potential for contributing to global growth, correcting imbalances, and promoting development is obvious. Just as important, a successful Round would provide a bulwark against protectionism — and make no mistake, signs of resurgent protectionism are all too evident. Last but not least, a breakthrough in the Round, after so many disappointments, would send a much needed message of confidence, that we remain committed to open markets and multilateral rules, and that the foundations of the global economy are reinforced.

The world economy will not come to an end if Hong Kong fails and the Round drifts. But it will be left significantly weaker, perhaps more so than we can envisage today.

We are not attempting to do the impossible. On the contrary, success is entirely within reach. Anyone who remembers the Uruguay Round knows that it went through numerous crises and set backs only to pull together spectacularly in the final months. The challenge is less technical, than political. It is about leadership, about compromise, about countries recognizing their common interest in success, and the collective costs of failure. As in other Rounds, US-EU leadership is indispensable. Unlike previous Rounds, leadership from key emerging players and ownership by developing countries is now just as important.

A final thought: a strong multilateral trading system is one part — vitally important — of an emerging system of global governance, where trade, finance, development and many other policies are increasingly intertwined. Some areas of this Round, like financial services, are your direct responsibility. Others are the responsibility of ministers of agriculture, health or the environment.

You are not silent observers of the Doha show, but major stakeholders. I appeal to you to put your energy and commitment behind a positive outcome in Hong Kong, not only at the global level, but in national capitals where more coherence is necessary. The WTO needs your support. I look forward to working with you.