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## WTO Director-General Pascal Lamy's Statement at Informal Trade Negotiations Committee Meeting, February 2, 2011

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# WTO DIRECTOR-GENERAL PASCAL LAMY'S STATEMENT AT INFORMAL TRADE NEGOTIATIONS COMMITTEE MEETING, FEBRUARY 2, 2011<sup>1</sup>

I would like to welcome delegations to this informal meeting of the TNC.

As indicated in my fax to you of 19 January, and in keeping with our commitment to transparency and inclusiveness, I thought it would be useful for us to review and assess developments in the Doha Development Agenda since the beginning of the year.

The backdrop to our meeting today remains the intensive process agreed by Members last November and which the Negotiating Groups embarked on earlier this month. Let me first report to you on some of my most recent activities and meetings, including the small gathering of ministers organized by Switzerland in Davos. I will also provide you with a brief overview of each of the negotiating areas.

## I. GREEN ROOM AND WORLD ECONOMIC FORUM, DAVOS

Last Wednesday I held a Green Room meeting to preview and fine-tune the message that I would be taking to Ministers in Davos. This message had been developed together with the Negotiating Group Chairs and reflected our evaluation of progress achieved in the different areas under negotiation. The discussion in Davos was also introduced by the Chair of the General Council.

In my messages I indicated that we have been following the game plan agreed by Members in December across the board. I also sensed a change in the mood as well as a change in gear in the negotiating process.

The change of gear and approach is detectable in both legs of the negotiating process, i.e. in the Negotiating Groups as well as in the bilateral and plurilateral consultations. In the Negotiating Groups there is an overall sense of greater engagement and focus, with no single topic being left behind. Work is progressing on developing draft language and textual proposals as well as in removing brackets. However, I stressed to Ministers that the pace of multilateral work was still too slow and too short of the kind of substantive progress needed to fuel and sustain a momentum that will result in revised texts around Easter. Atmospheric

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1. Reprint of original: Trade Negotiations Committee, *Lamy outlines what is needed to conclude round this year*, WTO NEWS, Feb. 2, 2011, [http://www.wto.org/english/news\\_e/news11\\_e/tnc\\_dg\\_stat\\_02feb11\\_e.htm](http://www.wto.org/english/news_e/news11_e/tnc_dg_stat_02feb11_e.htm).

improvement is good and important, but we will not advance on air alone.

With respect to the bilateral and plurilateral leg, I shared with Ministers my belief that this leg is lagging behind. I clearly indicated that the negotiations have to be multilateral. But it is also clear that, as a first stage, a number of bilateral testings need to take place. This leg also has to move faster and deeper to transfer the required energy onto the multilateral leg. And this needs to happen now. Not tomorrow or the day after tomorrow but now. The mood music can be good but we need the two legs on the dance floor.

I sensed that there was an unambiguous determination among Ministers to further accelerate the Geneva process to meet the 2011 window of opportunity identified by the G20 and APEC Leaders.

Ministers at Davos agreed that they needed to increase the pressure on their various bilateral and plurilateral negotiations so as to provide the necessary momentum and they also agreed that our current work must build on progress reached thus far and that they will instruct their negotiators to reassess positions and engage in genuine “give-and-takes”. I stress, “give and takes”. Following almost ten years of negotiation I detected a sense of realization among Ministers that we now need to think creatively, yet ambitiously about how to craft the final deal.

Finally, Ministers emphasized their readiness to engage personally in the negotiating process at the appropriate moment. But they were also clear that they expect the Geneva process to bring them a limited number of issues for them to crack.

## II. SUBJECTS

Now, let me, provide you with a brief overview of the latest developments across the board in the negotiations. I apologize in advance for the length of my report, but I believe maintaining full transparency during this intensive period of work is absolutely crucial.

On Agriculture, on templates and on the associated work on base data, Step 2 on drafts of actual proposed formats are being tabled and discussed in each of the three pillars. Moreover, Members are meeting bilaterally and in small groups to come to an agreed understanding of some parameters, including OTDS. Additional drafts are also in preparation and work on base data is progressing with the verification process.

On modalities, the Chair has continued his consultations. Members are also meeting on clarification of certain technical aspects of the modalities.

In NAMA, on NTBs, one concrete, positive change has been the movement into text-based negotiation through the creation of small drafting groups to undertake work in three areas: transparency, remanufactured goods and horizontal mechanism. The process of cleaning texts on the Horizontal Mechanism and Transparency is advancing. On remanufacturing, however, the small group is still facing serious challenges. Concerning other NTB areas such as textile labeling, conformity assessment

and international standards, the discussions are still at a more and too general level.

Concerning tariffs, discussions are taking place. The sectoral proponents continue to organize meetings on their sectoral initiatives. However, it is clear that the kind of engagement we are seeing on the NTB side is still missing on tariffs. This needs to change if we are to get to the same place by Easter.

Regarding Services, in market access, the Special Session confirmed that the request/offer negotiations had to be focused and intensified and that the first cluster of 14 February will focus on Modes 3 and 4, and the ICT group of sectors. Of course, this would not be to the exclusion of any other sector or issue that Members wished to raise.

In domestic regulation, there was consensus for the Chair to prepare a revised text for March. There is a real opportunity to make progress here, provided that the result is not a bracket-laden text that serves only to solidify existing positions. In GATS rules focused on dedicated discussions on government procurement and subsidies. The Working Party is also preparing for a discussion on services statistics for the purpose of the discussion on Emergency Safeguard Measures.

In response to requests from several delegations, the Chair of the Special Session has proceeded to establish a small consultative group to advance work on the text of the proposed LDC waiver.

In the Rules area, in December, the Chair appointed three Friends of the Chair, who have been asked to consult on specific bracketed anti-dumping issues with an eye to developing convergence, bottom-up texts for consideration by the Group. These issues include product under consideration, material retardation and causation of injury. The Chair intends to appoint further Friends in the anti-dumping area, and to extend the process to horizontal subsidies. He is also considering naming contact groups on some of the most intractable anti-dumping and subsidy issues. In the area of fisheries subsidies, the Chair has appointed co-facilitators to work on technical aspects of fisheries management. The Group has also received five new proposals in this area, including substantial new proposals on both the scope of the disciplines and the nature of special and differential treatment.

On regional trade agreements, Members agreed to begin the review of the Transparency Mechanism for RTAs as required by the General Council Decision, with a view to making it permanent. Two proposals have been received from the United States and Ecuador and are to be discussed by the Group starting on 4 February. Other elements of the review include statements from the Chairs of the two implementing bodies: the CRTA and the CTD, and the Secretariat, indicating their experiences with the Mechanism thus far. Discussions on systemic issues which remain dependent on the submission of text-based proposals by Members are also to be taken up; in this regard, one new proposal from Bolivia has been received.

In the area of Trade facilitation, the newly established Facilitator-led process appears to be working well and has already produced results. Negotiations in 14 different groups led to streamlined language and a lower number of square brackets. There was a noticeable change in gear, delegations were focused and committed to cleaning-up the text. Delegations appreciate the bottom-up mode of operation and the balance in treatment of the two main pillars (TF measures and S&D) and equally value the fact that there was no overlap in meetings and full interpretation of all events which is an issue on which notably, the African Group has been insisting on.

As regards Trade and Environment, on Paragraph 31(i), some Members are working together to build on specific texts or revisit existing one. While a submission by the African Group on a roster of experts to assist developing countries with respect to specific trade obligations under multilateral environmental agreements gathered some support, further consultations will be held to refine the proposal. On Paragraph 31(ii), Members have started with text-based negotiations. Finally, on Paragraph 31(iii), a lot of work remains to be done to further define the “universe of environmental goods” and the related structure of the outcome, including modalities of treatment. Members have also recently expressed renewed interest for the topic of environmental services.

As regards, intensive drafting sessions have been taking place by a small group of experts drawn from co-sponsors of the different proposals, the “W/52 Group”, the “Joint Proposal Group”, and Hong Kong, China, with the results reported to an open-ended informal consultations.

On 27 January, the Chair circulated a paper on Notification and Registration, resulting from Member’s own texts and the outcome of the drafting group. This represents the current state of play, with full attributions of different wording, following a concerted effort to reduce square brackets. This text is now “work in progress”. Work will now continue on the elements of Legal Effects/Consequences of Registration and Participation.

On the Work Programme on Special and Differential Treatment, discussions have been taking place on the basis of the most recent revision of the Chair’s non-paper on the Monitoring Mechanism. This work is being undertaken in small group informal consultations. A number of constructive textual proposals have emerged during the consultations.

On Dispute Settlement, an updated draft legal text was presented and discussed on sequencing, and points of convergence were identified with respect to possible solutions to post-retaliation. There has been more substantive engagement on effective compliance and time-savings.

Finally, let me take also the opportunity to report on my consultations, as DG and not as TNC Chair, on the two TRIPS implementation issues of TRIPS/CBD and GI extension.

Discussions on TRIPS-CBD on 20 January confirmed the convergence among delegations on key principles that they shared, and helped clarify

and illuminate the continuing points of divergence. Some participating Members signaled the possibility of working on a text in the near future. Members also agreed to circulate brief accounts of their own relevant domestic regimes to help clarify the nature of measures established to ensure equitable benefit sharing relating to genetic resources and traditional knowledge.

Parallel consultations will be convened on 4th February to address the GI extension issue. I have agreed to maintain an equivalent pace on these two issues, to ensure no delegation's interests are privileged over others. We have clarified once again that these consultations will focus entirely on substance and are without prejudice to any Member's position on questions of mandate or linkage between TRIPs related issues.

### III. CONCLUSION

This concludes my introductory remarks. It is clear from the level of activity planned in the various Negotiating Groups that we all face some intense and challenging weeks ahead. We urgently need to build on the good atmospherics to accelerate negotiations at all levels if we are to record substantial progress across the board by the summer break. Bilateral and plurilateral contacts, which I already said are lagging behind, need to get into substance now. This was the message from our political masters and I am confident that the Geneva process can respond not only in style, but more importantly in substance. For my part, I will continue my regular coordination meetings with the Negotiating Chairs, including ensuring that the schedule of meetings takes into account the constraints of smaller delegations and of course my own personal consultations. Acceleration, texts, convergence is now the name of the game.

Let me in closing take the opportunity to wish you a happy lunar new year!



# Articles

