

2011

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Recommended Citation

Pascal Lamy, *Director-General Pascal Lamy's Statement: Informal Trade Negotiations Committee Meeting, 26 July 2011*, 17 LAW & BUS. REV. AM. 409 (2011)
<https://scholar.smu.edu/lbra/vol17/iss3/2>

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DIRECTOR-GENERAL PASCAL LAMY'S STATEMENT: INFORMAL TRADE NEGOTIATIONS COMMITTEE MEETING, 26 JULY 2011¹

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

Before we start the meeting, I am sure I speak for us all in expressing our profound shock and sadness at the tragic events in Norway. Our hearts are with our Norwegian friends at this terrible time, and I would be grateful if Elin would convey this message of sympathy to her government. Would you all please stand for a minute's silence in memory of the victims of this outrage."

(Minute's silence)

I thought it would be useful to review, before the General Council tomorrow, where we are in the Doha Development Agenda negotiations and consider the road ahead for our work after the summer break.

Since our last meeting I have continued to meet with a range of Members, individually and in groups, in variable geometry, to explore the possibility of an LDC Plus package by the end of the year. I also had held a Green Room meeting yesterday and, prior to that, a preparatory meeting with the G-7 and G90 co-coordinators and Chairs of negotiating groups to further assess the state of play.

STATE OF PLAY

As you are all aware, the overall framework under which we are operating to take forward our preparatory work for the December Ministerial meeting and beyond 2011 has been through three separate, but closely inter-related, tracks:

- The **First Track** consists of the consultations that the GC Chairman has been undertaking on our regular working programme. The Chairman will report in more detail during tomorrow's General Council meeting.
- The **Second Track** is the DDA action plan after MC8, where I have recently started consultations with a number of delegations.

1. Press Release, Office of the Press Sec'y, Joint Statement by President Barack Obama and President Sebastian Piñera on the occasion of President Obama's Visit to Santiago, Chile, (Mar. 21, 2011), *available at* <http://www.whitehouse.gov/the-press-office/2011/03/21/joint-statement-president-barack-obama-and-president-sebastian-pi-era-oc>.

- The **Third Track** is the LDC Plus package as from last May.

Our starting point is that after Easter there was consensus that the full DDA package would not be possible by the end of the year. In light of this we embarked on a process aimed at delivering on a smaller package by MC8 on the basis of paragraph 47 of the Doha Ministerial Declaration. We all knew that this was not going to be the final package, but rather, a step forward to demonstrate that we could deliver some results on the Doha Development Agenda, while waiting to finalize the full DDA package. It was also clear from the start that LDC issues were a priority. However, some of you felt that the LDC component alone would not address their constituency requirements and that there had to be a “plus” element in addition to the LDC part of the package.

At the last TNC, we agreed to explore the LDC- Plus package to test its feasibility for December. As you will all recall, these issues included implementation of the Hong Kong DFQF Decision, simpler Rules of Origin, a Services Waiver and a step forward on Cotton. On the plus side were, trade facilitation, S&D monitoring mechanism, export competition, a step forward on environmental goods and services, and, a step forward on fishery subsidies.

Over the last few weeks Ambassadors have worked intensively including in my consultations on these issues. However, I have to share with all of you what I sense is a collective assessment that the LDC- Plus package as we framed it in May is not taking shape as we would have wished.

Unfortunate and frustrating as this situation may be, the question on all of your minds, then, is what next? In my consultations, I have detected two different positions:

The first position of those who believe that we should now concentrate on preparing the non-DDA part of the Ministerial and a broader discussion about how to deal with the DDA post MC8, and abandon the pursuit of a small package by December. They argue that keeping on working for such a package would suck oxygen from the other two tracks and would endanger the preparations for the ministerial. They also argue that maintaining expectations for an LDC-Plus package that does not look doable by MC8 would put the credibility of the organization at risk.

The second position of those who believe that, in addition to focusing on these two issues, we should also keep a focus on exploring DDA LDC deliverables at MC8. They argue that priority to DDA LDC issues should remain a focus for MC8 and that we should at this stage not foreclose the possibility of having some LDC deliverables.

‘MY OWN VIEWS’

Without prejudicing your positions, I would like to offer my own views after all that I have heard so far. In light of the current political environment it appears that the most realistic and practical way forward is to work on the two tracks of non-DDA issues and the DDA agenda post-

MC8. For both of these tracks we already have the necessary structures—the process by the Chairman of the General Council on non-DDA issues and my consultations on DDA work post-MC8, which I have already started with some of you and with the Chairs of Negotiating Bodies. In parallel, we should also keep working on MC8 possible DDA deliverables that could respond to the aspirations of LDCs.

I would also suggest that Chairs of Negotiating Groups continue work in their respective areas where in their judgment they deem it feasible that progress can be made.

My aim after the summer break is to intensify my consultations on DDA work post-MC8, which, as I have already mentioned, I have started with some of you and with the Chairs of Negotiating Bodies. In pursuing these tracks, I believe that we should keep in mind the strong feeling among many members that the development focus should continue to receive priority. I therefore urge you all to use the period of your summer break to reflect seriously and soberly about what is at stake here and to consult amongst yourselves and with your capitals.

We started this meeting on a somber note. I do not think the conclusion looks much better. What we are seeing today is the paralysis in the negotiating function of the WTO, whether it is on market access or on the rule-making. What we are facing is the inability of the WTO to adapt and adjust to emerging global trade priorities, those you cannot solve through bilateral deals.

This risks overshadowing the achievements in other parts of the WTO functions, such as monitoring, surveillance, dispute settlement or even Aid for Trade, on which I will report fully tomorrow. There is, therefore, an urgent need to develop a shared diagnosis over the current impasse and what went wrong as a means to prepare a discussion over possible solutions as well as over emerging issues.

I would urge you to use the summer break to reflect and come prepared to fully engage in an “adult conversation” over “what next”. I intend to conduct these conversation on a “without prejudice basis”, slowly building a shared platform from which the Ministers could have a well prepared discussion at MC8. A discussion that would clarify what Members expect from this organization. Moving, so to say, from the “negative list” of what you cannot do, to a “positive list” of what you intend to do.”

Articles

