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WTO'S DIRECTOR-GENERAL PASCAL LAMY'S OPENING REMARKS AT THE INFORMAL TRADE NEGOTIATIONS COMMITTEE MEETING AT THE LEVEL OF HEAD OF DELEGATION¹

Friday, 21 October 2011

Chairman Pascal Lamy's opening remarks

THANK you all for coming to this meeting.

As indicated in the convening fax, the purpose is to share the outcome of the consultations I have been conducting since September on the next steps in the Doha Development Agenda negotiations [DDA], sometimes called the Doha Round.

Our discussion this afternoon should be viewed as a continuous thread with this morning's informal HoDs [heads of delegations meeting], where the GC [General Council] Chairman briefed you on his consultations to prepare for MC8 [the eighth WTO Ministerial Conference to be held in December 2011], including the process he has embarked on aimed at arriving at political guidance in the first two issues of his template — importance of the Multilateral Trading System and the WTO and Trade and Development. The focus of our meeting this afternoon is on the third issue in the template, the Doha Development Agenda. This meeting is also important as we prepare for next week's General Council.

SOMBRE BACKDROP

Our meeting takes place at a time when yet again the outlook for the global economy is gloomy and increasingly uncertain. Stronger than expected “headwinds” in developed countries, especially increasing concerns about debt in the US and euro zone, have weighed down economic activity and trade.

The WTO's forecast for global exports in merchandise has been cut from an estimated 6.5 [percent] down to 5.8 [percent]. Disappointing output and employment data have damaged business and consumer confidence and contributed to the recent turmoil in financial markets. While the outlook remains overall more positive for developing countries, a

1. WTO's Director-General Pascal Lamy, Opening Remarks at the Trade Negotiations Committee Meeting at the Level of Head of Delegation (Oct. 21, 2011) available at http://www.wto.org/english/news_e/news11_e/tnc_infstat_21oct11_e.htm.

number of them are reporting slower growth as a weakening global recovery erodes demand and there is a double threat to growth from the impact of recent floods. Even those economies with strong fundamentals may find themselves coming under strain if the global economy continues to deteriorate.

This sombre backdrop therefore gives added importance and urgency to our work in contributing to provide a stable trade anchor to the world economy.

CONSULTATIONS

Turning to my consultations, since July I have had extensive contacts with Ministers and Senior Officials in a number of regions. Here in Geneva I have met with a number of delegations individually, with group coordinators and groups including last week with the Informal Group of Developing Countries. I have also continued my regular coordination meetings with the General Council Chairman and Chairs of Negotiating Groups and I held a Green Room meeting on Wednesday to prepare for this meeting.

Over the past few weeks the level of activity amongst delegations in variable geometry around Geneva to prepare for MC8 has also increased. In light of our overall preparations for MC8, let me share with you what I heard so far, on both the current status and next steps in our work.

THE MINISTERIAL CONFERENCE

Let me begin with the purpose of MC8 [the upcoming eighth WTO Ministerial Conference to be]. It is for Ministers to provide guidance for the work of the organization in the next two years across all areas of the WTO agenda.

From my consultations I sense a shared desire to have MC8 deliver a clear signal that our Organization is one that keeps moving forward. The challenge before us is to convert the prevailing negative mood into something positive — a signal on forward movement. This does not have to be a big leap forward or an entirely revamped agenda. Instead, we could take smaller steps which nevertheless move the organization forward.

The focus now, as it should be, is “What Next” in the DDA negotiations, particularly the path forward for the Doha Round that Ministers will want to map out in December. Of course, the DDA is not the only area of rule-making in the WTO and there are other areas of rule-making outside the mandate of the DDA where progress has been made and will need to be reviewed, such as the on-going negotiations under the government procurement agreement. But clear political guidance on the DDA in December is necessary.

MAIN THEMES ON DOHA ROUND

Let me now share with you the main themes that I have been hearing from Members on the DDA negotiations. What I am putting to you is not elements for you to “adopt” or “endorse[.]” Let me also mention that these themes need to be considered as “work in progress[.]” Obviously this part of the work in progress cannot and should not be seen in isolation from the rest of the topics on the agenda for MC8 which we have discussed this morning. And this is why I believe we need soon to have a process in place where we weave all strands together, as opposed to working in silos[.]

Despite the intensified efforts that Members have been engaged in since MC7 [the seventh WTO Ministerial Conference in 2009], the reality is that we are at an impasse in the DDA negotiations. As a consequence, it is unlikely that we will conclude the negotiations on all elements of the Doha agenda in the near future as we had originally intended.

I have heard a number of reasons and different causes about why we are where we are today. Some of the reasons advanced are that the geopolitical and macroeconomic environments have particularly made progress on the Round challenging. But, I have not heard any signals or proposals to give up the objectives we set ourselves at Doha. All Members remain committed to working to deliver on the Doha mandate.

But it is also clear that in order to get to that point, we will need to explore different approaches from the ones we have employed before. I seem to sense some convergence emerging around the idea that Members should pragmatically advance the negotiations in areas where progress can be achieved, by reaching agreements on specific issues — whether provisionally or on a definitive basis — ahead of delivering on the full Doha single undertaking. In other words, I sense a readiness to operationalize paragraph 47 of the Doha mandate, it being understood that this would be a step towards delivering on the entire Doha agenda.

TO BE CREDIBLE

In my consultations Members have also indicated that in order for this new path to be credible, we need to intensify our efforts in devising a path which allows us to look into areas where this shorter term progress is more complicated, that is, where substantial differences remain. I also believe that there is emerging consensus that work should continue on the basis of progress achieved to date and that development should remain as a central theme of any outcome.

I thought I would share with you these themes and get your feedback as we continue our preparatory process on Doha for MC8. I believe that our foremost challenge over the next seven weeks or so left before MC8 is to take our preparatory engagement to a higher gear. I hope that we will also benefit from the discussions at the Cannes G-20 summit at the beginning of next month where leaders will review the progress made

since their previous meetings and discuss further actions to assure a sound, smooth and sustainable recovery from the current turbulent global financial and economic situation.

Before I close, allow me to express a word of caution about the functioning of our regular bodies. Whenever a member has a concern over any issue, the rule is not just to block progress. The rule is [sic] to air the concern, explain the difficulty and engage into a good faith exercise to resolve it. We cannot sustain blockage for the pleasure of blockage. I hope we will all contribute to the smooth functioning of the work and work programmes in the regular committees.

The floor is open.