

WTO NEWS: SPEECHES — DG PASCAL LAMY
13 December 2005
Opening Ceremony
Ministerial Conference, Sixth Session, Hong Kong

Chief Executive Donald Tsang, Secretary John Tsang, Ministers, Dr. Supachai, Ambassador Amina Mohammed, Excellencies, Ladies and Gentlemen;

It has been reported to me that someone once referred to WTO Ministerial Conferences as “medieval”. I don't know who that was — but that person surely had not seen Hong Kong and the way it organized this Conference.

Rather than medieval, the sight of the skyscrapers of the central district, from the hallway outside, and the venue for this meeting, are closer to futuristic science-fiction. I wish therefore to express our gratitude to the authorities and to the people of Hong Kong for the arrangements made for this Conference, which confirm this city's tradition of hospitality and efficiency.

Before coming to Hong Kong, you received a Draft Ministerial Text, together with the letter that Ambassador Amina Mohammed and I sent to Secretary Tsang, in which we explained the conditions under which that document was approved by the General Council on 2 December, plus some questions to guide your work. The draft brought no surprises — there was no magic involved.

Last September, when I took office as Director-General of the WTO, I said I didn't have a magic wand — you surely remember that. Well, in the meantime, I have kindly been provided with a magic wand. Here it is — but I'm afraid it is not working very well yet. I think it is the sort of magic that only works if everyone believes in it. So let's put fantasy away and try to combine our hopes and our powers, your hopes and your powers, to advance the negotiations so that they can be completed in 2006.

Having sent you a draft, I do not need to present you with a work plan for this week. This Ministerial Conference is your Conference — it is therefore in your hands and in the hands of your negotiators to work as best you can.

Today, I would like, with you, to take a quick 360 degrees look at the WTO, its past, its present and its future.

Let us never forget that the WTO is a system — a rather complex one, with its idiosyncrasies, its strengths and weaknesses, its assets and its liabilities — and that this system is yours. You are the stakeholders of the WTO, and in your quality as managers of these assets that you own jointly, it is your task — and your interest — to improve it.

You are the heirs of almost 60 years of tradition in trade negotiations, of a remarkable set of rules and decisions, and an impressive body of legal interpretations. You have also inherited a well-oiled machine that oversees and ensures the implementation of a balanced system of rights and obligations. You have every reason to be proud of the past achievements of your collective enterprise. So much for the past.

The current state of affairs is somewhat more heterogeneous. On the one hand, the day-to-day and dispute settlement activities are doing relatively well. Although the number of disputes has risen considerably, most of the decisions are respected and implemented, without recourse to retaliation — which speaks for the credibility of the dispute settlement mechanism. Only a handful of the more than 300 disputes submitted to the WTO since its creation in 1995 have not yet been resolved.

The negotiations part of your activities, on the other hand, could certainly be improved. There is also a lot of room for improvement in public acceptance of the WTO, as there is in its marketing activities. The WTO — the crowds in and certainly outside this building will remind you with sound and sometimes fury — is not the most popular international organization around, to say the least.

Even if it is famous throughout the world, the WTO is a very small business: its budget for 2006 is only 140 million US dollars — five times less than the budget of another international organization — FIFA — the Fédération Internationale de Football Association, for example (US\$700 million), and almost ten times less than the budget of a famous NGO! I will certainly have to use your magic to see if we can get a more powerful engine for the WTO car, which is getting bigger and bigger, and now includes two newcomers, Saudi Arabia and Tonga.

As for the future of the WTO, it started in Doha in 2001 and it is up to you to decide, in this assembly, how you wish to fashion the years to come. If the WTO is to maintain and increase its current activities, then you must take a further step and commit yourselves to a new investment in the improvement of its rules, through the success of the current negotiations.

How do you decide on this collective investment? The WTO decision-making process, as you all know is, let us say, difficult. The difficulty stems from the fact that all stakeholders — all of you — have decided that you have exactly the same right, no matter how big or small, no matter how powerful or weak, no matter how rich or poor you are: you all have the right to speak, the right to agree, the right to disagree. In sum, in spite of all criticism, the WTO decision-making process is democratic. If it were different, taking decisions on the negotiations would probably be easier. But it would not be as legitimate. Reaching agreement in the WTO is difficult because it is done bottom-up — and it is good this is so. It takes more time, it is more burdensome and cumbersome, but I am convinced it remains the best way to take decisions that impact directly the lives of billions of people.

In short, you should indeed be proud of this healthy and democratic common institution. But like any stakeholder, you should also look beyond your immediate needs, you should think prospectively, you should care about the future.

Let me tell you a little secret I learnt since I took office as Director-General: there is an apocryphal and funny Secretariat guide to the language of trade negotiators in the old GATT. This guide tells you that, in those years, when negotiators said “Mr Chairman, we seek a balanced agreement”, what they really meant was “this agreement had better contain everything we demand”; when the negotiators said “we have demonstrated flexibility”, they really meant “we have successfully concealed our intransigence”; and when the negotiators announced “we are prepared to make our contribution to an ambitious outcome”, they really meant “we will only support agreements where others make all the concessions — and we make none”! This attitude, as we all know, is part of our past.

This is the past because today, what we really need are negotiators that are bold, open-minded and prepared to take some risks, as successful stakeholders. Ministers often face the difficult task of explaining to national constituencies that they have gained something in negotiations, even if the negotiating process is not over. The many people who benefit from open trade are usually politically silent, whereas those fewer who are affected by it can be politically very loud. We all understand the need of each and every delegation to take home some gain from trade negotiations.

The reality is that the true magic of these negotiations is to achieve results where all participants are winners, all will be able to declare victory. But for that, some risks must be taken. A popular Chinese proverb says “If you don't go into the cave of the tiger, how will you get its cub?” — in other words: nothing ventured, nothing gained. Repeating long known positions, using negotiators' language, refusing to understand the reasons of counterparts and avoiding any risks — including political risks — will get us nowhere. Worse, it might put to risk valuable assets amassed with so much effort by our predecessors in the past. On the other hand, taking a bit of risk — a calculated risk — will mean a chance for improved rules, for a level playing field, for free and fair trade — in short, the best chance for development, the backbone of the Doha Round.

Short of a magic wand, I can only give you my best advice: be open-minded, be bold, be courageous. Enter the cave of the tiger and leave Hong Kong with a prize in your hands — the assurance that the Doha Development Round has a real chance of coming to a happy end.

Thus, it remains for us to work hard, to listen, and to make decisions, thinking not only of ourselves, but also of our children and grandchildren.

Good luck and thank you for your attention.