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MESSAGE OF THE UN SECRETARY-GENERAL, MR. KOFI ANNAN

Delivered by Mr. Supachai Panitchpakdi, Secretary-General,
United Nations Conference on Trade and Development

It is now four years since you vowed to place the needs and interests of developing countries at the heart of your work. That landmark step was reaffirmed at Monterrey, Cancun and many other times since. And at last September's World Summit at the United Nations in New York, world leaders again pledged to ensure that developing countries could participate fully in the world trading system.

Development -- real gains in real peoples' lives -- remains the primary benchmark for success of the Doha Round. Whatever other smaller steps your negotiations achieve, development writ large is the standard against which your efforts will be judged.

There have been some laudable initiatives to advance this cause, and to address the marginalization of some developing countries -- particularly least-developed, landlocked and small-island states -- for example through special and differential treatment. But this is still not enough.

While the European Union and G8 countries agreed on significant increases in aid and debt relief, they did not set a clear, unambiguous date for ending trade-distorting subsidies and giving market access, especially in agriculture. Such subsidies significantly reduce the prices that farmers in developing countries receive for their crops, in a sector that is crucial for their sustenance and livelihoods.

Farmers and purveyors of other goods and services in developing countries continue to be subjected to protectionism in the developed world in precisely those areas where they can be most competitive. And while developing-country tariffs are also problematic, these countries cannot be expected give up either revenues or leverage without new and better export opportunities.

The LDCs in particular need secure, predictable access to markets, without duties and without quotas. Land-locked countries need freedom of transit for their goods. All countries have an interest in minimizing red-tape and transaction costs, and in ensuring that technical and regulatory requirements do not exceed what is truly necessary to become insidious obstacles to trade. And as new export opportunities are opened up, many poor countries will need help if they are to take advantage of them. Aid for trade -- aid to build infrastructure, create capacity and cover the costs of adjustment -- should be considered an indispensable part of the Doha Round.

Trade has been a critical force for development. It has boosted prosperity, spurred innovation and brought people more choices. It has contributed to stability and predictability in international affairs, and to peaceful relations among nations.

Today we have a chance to go further still. But it seems that the development case for open, equitable trade is not yet won. Polling by the German Marshall Fund has found that farm subsidies, tariffs and protectionist policies enjoy some backing in the United States and Europe, eroding support for a truly open and global trading system. Trade liberalization has adjustment costs in rich countries, too. Overcoming this political hurdle is essential for Doha to succeed.

Rich countries will have to reject not just protectionism, but populism, too. They will have to speak honestly to their people about the changing economies of the 21st century, and about global interdependence and the fact that prosperity elsewhere means prosperity and jobs at home. They will have to help the vulnerable people in their societies with training and other support. And they will have to recognize that a complex network of bilateral and regional trade agreements is not a substitute for an effective multilateral framework.

Trade can galvanize our efforts to achieve the Millennium Development Goals. Trade liberalization that empowers people will find great support. Trade policies that only enrich entrenched elites will continue to spark fervent opposition. I urge rich countries to make the necessary investment in poor-country markets. This is not just a question of commercial opportunities. It is about creating the broad environment which is needed to improve the human condition.

Previous trade rounds, like this one at this moment, have teetered on the edge before finally reaching agreement. The lack of major gains here in Hong Kong would be a severe disappointment for poor people throughout the world yearning to lift themselves out of poverty. Now is not a time for brinkmanship. It is a time to find common ground. Progress has been made in the eleventh-hour run-up to this conference. Your duty is to forge the political will needed to move forward in the days ahead. I urge you, as a matter of urgency, to do what it takes to deliver on the great promises of the Doha Round.
