

PREFACE

When the Director-General of the World Trade Organization, Dr. Supachai Panitchpakdi, asked me to chair a Consultative Board to prepare a report on the future of the organization he assured me of the independence of our group in this task and he has strictly observed this assurance. So the responsibility for this Report is ours and ours alone! Additionally, he made it clear that we were not being asked to comment on the Doha Development Round but on the long-term future of the WTO.

I have been more than fortunate in the choices made in the selection of the Board members; collectively they bring great experience and exceptional expertise to the task that we have undertaken. Although sometimes our perspectives have diverged and everyone may not agree with every word in the Report, the differences have never been substantial nor divisive and we all find ourselves able to endorse this Report without a minority dissent on any issue. We have been motivated by a common conviction that the WTO in its creation and substance is one of the greatest achievements in multilateralism and stands as testimony to the capacity of the world community of nations to undertake substantial obligations and legal responsibilities that foster interdependence.

It is clear that, for the first time in history, the world can embrace a rules-based system for economic coexistence, the essential principles of which are generally agreed. Even the inspired period of institution building that followed the Second World War did not result in such a truly common endeavour. No longer divided by the Iron Curtain, or any other fundamental ideological difference, in economic matters at least, a large community of WTO Members has given practical expression to an understanding that institutions of a multilateral character have an indispensable role in maintaining this unique cohesion. In the past, noble experiments in multilateralism have not always been sustained or developed as their founding fathers

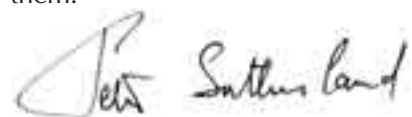
intended; but this time it is our conviction that we can truly aspire to creating and sustaining a depth of connection in economic affairs under a rules-based system. It will be increasingly apparent that to undo or resile from this system will carry a significant price. However this provides only a limited assurance about the future at a time of intense challenge and competition between states. Institutions can fail too through neglect.

So globalization has created both the opportunity and the challenge. The intensification of competition in trade matters broadly defined is both inevitable and is evidenced by new and positive dynamics for growth. The institution that in significant respects protects this potential is not by any means fully equipped for its tasks. There is a real need for institutional reforms to, and increased support for, the WTO.

Our Report follows two tracks. One is practical and focused on institutional improvements. The other - not unrelated to the first - revisits some of the fundamental principles of the trading system that, in our view, have been greatly misunderstood or misrepresented.

We have tried to propose realizable reforms rather than more substantial changes that could not, in our view, have commanded the degree of support necessary for them to be effected. We believe that what we propose are important changes and that the issues we explore require serious consideration leading to changes in approach, attitude and practice. We do not contend that our conclusions are the only ones that might be reached but we hope that we can stimulate a constructive debate.

I would like to thank Hoe Lim and Katie Waters in particular from the Secretariat for the support provided by them.



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