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Beyond mercantilism; paving the way for the future

The clock is ticking; both for this speech and for the negotiations to make this Conference a success. So many important issues on the agenda and so little time to deal with them. In order for this Conference to become the basis for a successful Doha Development Agenda, obviously we will have to focus on those issues that are most urgent.

Nevertheless, I should like to take you beyond these pressing issues and sketch the horizons of our work. Three broad themes underlie our work here. Themes define the long-term, perspective of our work. The three themes are:

- The commitment to a multilateral and rights-based process of international cooperation;
- the acknowledgement of our duty to make trade contribute to development and sustainability and to take into account the contributions the different players can make, and;
- to live up to our many other commitments through integrating non-trade concerns, including the environment, and other important policy areas.

Trade is not an objective in itself. Trade needs to play its role in creating prosperity as a precondition, in combating poverty, all over the world. It serves the promotion of well-balanced economic growth as a basis for sustainable development. The WTO is the vehicle and the Doha Development Agenda is the map ahead. We should be the drivers, at the same time taking into account the others participating in traffic.

The contribution of trade to development is the key issue. The objectives are set out in the Millennium Development Goals and in the programme set out at the World Summit on Sustainable Development. Our objectives are simple, but demanding: to strengthen the multilateral trading system, to further integrate developing countries, and to continue the process of further trade liberalization, which is in the interests of all. Let me try and address the broader and the longer perspective.

We are in the process that started with the Havana Charter, some 56 years ago. In Marrakesh we made a leap forward. Now it is time to prepare the WTO and ourselves for dealing with the challenges of the future. The multilateral trade system will have to be able to cope with the rapid developments we are witnessing at present. Preparing for the future starts now. First

milestone: 31 December next year. But that cannot be but the first stage of a longer process. The importance for a successful Conference here in Cancún can in my view be described as "**paving the way**".

The World Trade Organization is one of the most modern and successful international organizations of today.

- Its basis is the combination of transparency, non-discrimination and rule of law;
- its means are consensus-building, dispute-settlement on an equitable basis and help to those most in need;
- its objective is creating sustainable economic development.

But we need other instruments as well. In that spirit, I salute the initiative of the World Bank and the IMF to further integration of developing countries in the trade system through:

- Special-adjustment programmes aimed at preparing developing countries for further sustained trade liberalization through;
- help in addressing the temporary possible negative side-effects, *inter alia* loss of tariff revenue and preference erosion;
- by fostering economic diversity, creating a social safety net and ensuring government revenue.

Donor countries should be prepared to invest as well in preparing the future. I am glad to be able to announce a further grant of 700,000 euros for technical assistance under the Doha Trust Fund of the WTO on behalf of my Government.

Success in Cancún should equally enhance multilateral cooperation in general, thus contributing to geopolitical stability. The international agenda has been dominated by feelings of instability and insecurity since exactly two years. The temptation exists to act on a unilateral basis because of the urgent matters at hand. The multilateral approach is sometimes cumbersome and seemingly ineffective. Yet, in the long run it is the only path. We need undiminished, no enhanced, joint efforts to find solutions. Leadership is what is requested from all of us.

I should like to address the need for solidarity, the only guarantee for a brighter future. Solidarity is not one dimensional. I will name just three areas where it occurs:

- Solidarity of *developed countries with developing countries*, *inter alia* through effective and real market access for developing countries to markets of developed countries.
- Solidarity *between developing countries*. Large gains for developing countries are to be made in opening their markets to each other. This should be a further impetus to the so-called south-south trade.
- Solidarity also means acknowledging that the mere distinction between developed countries and developing countries is an oversimplification of a broader scope. Different levels of economic development have led to *different needs for individual developing countries*.

The last issue for me to highlight: trade cannot be isolated from other international policy areas. Therefore, we need to address a broad agenda, in two senses:

Firstly by including issues like all four Singapore Issues. Intracompany trade is rapidly growing, thus creating the necessity for clear investment rules, but also rules on competition.

Secondly, by enhancing cooperation, with organizations active in other policy areas. Amongst these issues to be addressed are concerns on the environment and, especially within the negotiations on agriculture, what we have come to label "non-trade concerns".

We cannot and should not walk away from these issues. They are of real concern to people, and therefore to governments. We cannot escape the need to create the links between trade and other policy areas.

The Doha Development Agenda has set the agenda for the future. Details need to be hammered out on all issues at stake; this week and before 1 January 2005. Let us commit ourselves to do so.

Recognition of the fact that the issues on the present agenda are all relevant for the future structure of the multilateral trading system should pave the way for the future. Not mercantilism but a well balanced rules-based system should be our guide.
