



# **OPENING SPEECH**

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WTO Director-General



Ladies and Gentlemen,

Welcome to the WTO's Public Forum of 2009!

It is always a pleasure to see the very large crowds that the WTO Public Forum draws. Your presence in such impressive numbers speaks to the relevance of the role and mandate of the WTO. It stands as testimony to the high expectations that you have of the organization, and which the WTO should certainly strive to fulfill.

It is also shows that the WTO does not simply preach *transparency* and *openness* on Sundays, but also practices them on Mondays! In fact, even on Sundays, as we did several weeks ago in welcoming the public to our premises for the first time. And, there is no doubt, that the results of yesterday's referendum on the extension of the WTO's headquarters here in Geneva, will encourage us to extend our outreach to you even further.

As I have said many times before, it is to your needs and aspirations that this organization must cater, and I certainly hope that this Forum will enable the entire WTO-family, Members and Secretariat staff alike, to better keep their "fingers on the pulse" so to speak. In other words, to better gage your concerns and expectations of how we, in the WTO, can do things better in future.

This year's forum is dedicated to "*Better Global Governance.*" A theme chosen mainly in light of the current financial, economic, and social crisis that we have been witness to as of last year. There is no doubt that the world has traversed a very "rough patch" in 2008 and earlier this year with the financial meltdown, and its very severe consequences on people across the globe; many of whom have lost their jobs, homes, savings, and therefore, their entire livelihood. And we are certainly not yet out of the woods in terms of this particular crisis.

World economic growth, as measured by the world's production of goods and services, has slowed abruptly in 2008 and the early part of this year. The contraction in demand led to a slowdown in production, and in international trade. World merchandise trade is projected to fall by a full 10% this year, and Foreign Direct Investment, which fell by 15% in 2008, is projected to drop further.

The WTO has quickly responded to the crisis by cautioning governments against *beggar-thy-neighbour* policies, which have been tried in the past, in similar situations, and which have shown their gross inadequacy. It has cautioned against protectionism through a monitoring mechanism of trade restrictions that it enacted in the immediate wake of the financial crisis. A WTO "Radar Screen," if you will.

What our Radar shows so far is "low-intensity" protectionism; in other words, a large number of measures whose intensity has so far remained constrained. But there should be no complacency. Rising unemployment will continue to usher-in the inevitable protectionist pressures.

Ladies and gentlemen, the impulse to go "local" in answer to the financial crisis must be resisted. In fact, I would argue that we should continue "going global," if I may say so, for the simple reason that many consumers have seen their purchasing power decline, and are in need of cheaper, more competitive, goods and services, and not more expensive ones produced behind a national tariff wall.

International trade help lower the cost of goods and services to the final consumer. And it is for this reason also that it is imperative that we conclude the Doha Round of trade negotiations. In fact, if the entire WTO community of nations were to decide to raise its applied tariff levels all the way up to WTO legal ceilings, this would raise the world's average tariff hurdle to about twice its current level.

In other words, exporters would become 100% worse-off than they are today, if the full policy-space that the WTO provides were to be exploited. The Doha Round of trade negotiations, would not only open new markets for exporters, but also curtail some of the existing margin of manoeuvre that could take the world backwards.



This explains why this issue has featured so highly on the G20's agenda since last year, including in Pittsburgh last week. I have used last week's opportunity to report to G20 leaders on the state-of-play of international trade. I explained that political signals of commitment to resisting protectionism and to concluding the Doha Round in 2010 were needed and, indeed, welcome. But that, as long as they do not translate into concrete engagement, declarations would not in-and-of themselves deliver an outcome. Leaders have agreed that their negotiators now embark on the work programs that we have established for the next three months, and that they then assess our collective ability to achieve our 2010 target. It is now incumbent upon them to "walk the talk."

Let me now turn to trade finance. As you all know, part of the contraction in world trade that we have seen in 2008 and 2009 occurred due to the drying-up of trade finance. Trade finance institutions rolled back their export credits in response to the financial crisis, having seen the number of defaults on trade contracts that had taken place.

The WTO has not sat by in silence in response to the problem. It has mobilized the trade finance community and world leaders, alerting to them to the downward spiral in world trade that this was leading to. Trade finance is now beginning to shore-up. It is my hope that we will soon see previous levels of trade finance restored, especially where it is most needed. In other words, for small businesses and Least-Developed Countries.

Ladies and gentlemen, while the financial crisis is a serious pre-occupation for us all, we must not forget that it is not the only global problem that awaits action on our part. There are many issues that we need to deal with at the international level, and which merit our utmost attention. I speak here of the climate crisis, of the food crisis, and of global health pandemics.

It is critical that the international community "seal a climate deal" at the Copenhagen Summit at the end of this year. As I have stated many times before, it is only an equitable "*global*" climate deal that can tackle the climate crisis effectively; a deal that clearly spells out the commitments of each and every player.

It is not through the unilateral action of a few, that the climate crisis will somehow be halted. We must keep our eye on the ball, and not lose sight of the magnitude of the problem that we are confronted with. That problem represents no less than our very ability to survive in future.

I was heartened by the results of the recent World Climate Conference that was held here in Geneva, and which has prioritized the development of “climate services” – such as climate research and forecasting services. I hope that WTO members will rise to the challenge set by this Conference, and respond by accelerating market-opening for environmental and climate-related goods and services through the Doha Round. This is a very concrete way in which the trade community can chip into the construction of a global climate deal; one that we certainly hope to see emerge from the Copenhagen Summit at the end of this year.

Ladies and gentlemen, the food crisis is no less serious than any other crisis. The Food and Agricultural Organization tells us that there are more hungry people today than there has ever been before. This situation cannot be allowed to linger. Trade, and the Doha Round specifically, can be part of the answer; albeit not the entire answer, since much will also depend on accompanying credit, nutrition, and agricultural development policies.

Trade is the transmission belt that allows food to move from the land of the plenty to the land of the few. We must oil that transmission belt, and improve the foundation on which it has been built through the Doha Round. The Round will reduce rich world subsidies, and would lower tariff walls in developed and developing countries alike, bringing food closer to the poor.

Finally, allow me to say a word or two on global health pandemics, such as the H1N1 virus that we saw this year, or other strains of flu that we saw in previous years. Because of globalization, and our greater interconnectedness today, global pandemics may be more likely than before. It is critical, therefore, that we beef-up international standards, such as the norms that are set by the World Health Organization or the World Organization for Animal Health, and that we let ourselves be guided by science as much as we can. The WTO encourages, and will continue



to encourage, its members to abide by international norms. They not only facilitate trade, but also facilitate the sharing of scientific information and of proper regulatory control.

Many of the topics that I have raised with you just now are on the program of this year's Public Forum. My goal – of course – was simply to wet your appetite for some of what is to come!

More seriously, it is my hope that you will share your thoughts with us over the course of the next three days on each and every topic that I have raised, and more. Let this be a learning experience, and a “*rapprochement*” for us all.

Thank you for your attention.

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