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LITHUANIA

Statement by H.E. Mr Evaldas Ignatavicius
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I am glad to have this opportunity to address you on behalf of Lithuania at the Fourth Ministerial Conference of the World Trade Organization here in Doha, Qatar. It is my pleasure and duty to present you our thoughts and share our opinion on the agenda and objectives of this conference.

This Fourth Ministerial Conference in Doha is very important to us, since it is the first Ministerial Conference where my country participates as a fully fledged Member of the WTO. After a complex accession process we are happy to be in the WTO "club" and to have this opportunity to participate in the discussion on global trade issues. It strengthens our feeling that we are a part of the integrated world economy, able to enjoy benefits and fulfil obligations arising thereof.

The current situation in the world places a huge responsibility on the WTO, as a global Organization. It is WTO that can help us to restore confidence in the future of global economy. We believe that launching a new WTO negotiations round would strongly contribute to that. Since a success of a new round is very important to the world community, we must be very cautious. Failure of Seattle must be taken into account, and mistakes that contributed to the failure must not be repeated. We live in a diverse world, a world where numerous interests struggle. The WTO is the right place to compile those interests and find the best solution. It is already clear that focus purely on trade development is not the best path to reach global welfare. Many other factors, such as social problems, health and environmental protection, should be reflected in the outcomes of this conference.

We urge the WTO to reconsider the process of globalization. No way does this mean we have to stop integrating economies. On the contrary, this process must continue and gain tempo. However, in order to solve complex problems that arise, we have to develop a broad and flexible attitude. We must understand that economic welfare, human health and environment protection are equally important nowadays. Therefore, we do call for sustainable development.

This is where so-called "new issues" come into play in the WTO agenda. Seeking transparent and rule-based global trading system, Lithuania supports the idea that investment, competition, environment and also development issues related to trade, as well as trade facilitation and transparency in government procurement should be subject to further regulations in the WTO context.

Such regulations could lead to faster development and growth in the countries of economies in transition. One might doubt effectiveness of negotiations, when multiple issues are being discussed. We do agree that this might be difficult. On the other hand, this can not be avoided, given the complexity of problems that we face.

We all know perfectly that any theory is of little empirical worth if it cannot be applied in practice. Provisions governing free trade will only be effective if their implementation is feasible. Here it is necessary to stress the experience of Uruguay Round results when the commitments did not bring expected outcome, especially for the developing countries and countries in transition. Since these countries experience certain difficulties implementing Uruguay Round Agreements, we must all together find a solution to improve the situation. We are obliged to do it for the sake of global integration.

In fact, misbalance in the current trade system, which was created by the Uruguay Round, is one of the major reasons contributing to a need to renegotiate world trade policy. This misbalance is especially obvious when we come to talk about agricultural issues. The balance and benefits to all Members are essential, and we believe that Article 20 of the Agreement on Agriculture is a solid background for that. Lithuania believes that Article 20 should serve as a basis for further negotiations on agriculture.

The agricultural sector for Lithuania, as well as for most other countries in transition, is the most sensitive sector in terms of economics, politics, and social security. Transformation of the agricultural sector, switching from planned economy to market-oriented model, was very painful, compared to other sectors, and the situation was exaggerated even more by loss of traditional markets. From the very beginning of economic reforms the Government of Lithuania took measures to restructure the agricultural sector having an aim to increase its efficiency and competitiveness including trade liberalization measures, often even more liberal than those of most participants of the Uruguay Round. Being sure that present problems are temporary, Lithuania continues its agricultural reform. However, it is necessary to maintain an appropriate trade policy mechanism to ensure the continuation of reforms and to prevent destruction of the sector. In other words, some level of flexibility in negotiations is required for economies in transition.

Lithuania, as recently acceded country, recognizes benefits of the substantial progressive reductions in support and protection in the long run. That is why we made commitments to liberalize our agriculture policy upon accession - just five months ago. However, due to the specific situation of recently acceded countries, a special treatment to them is required. A solution, encompassing increased international competition, respective flexibility and recent accession commitments must be found. Otherwise, liberalization according to the uniform model applied to the developed countries will cause deeper distortion of the Lithuanian agricultural sector, creating tremendous economic and social problems. We are sure that other countries recently acceded to the WTO are facing the same difficulties and have similar needs in agriculture as well as in other sectors, therefore we support their legitimate requests.

We are not convinced that Lithuania, as well as other recently acceded countries, needs to make further commitments for substantial improvements and reductions in a new round, because we have already made those just recently, upon accession. It should be well-known that recently acceded countries have made substantial market access commitments, often going far beyond those which had been made during the Uruguay Round. There is a major threat that new commitments, resulting in double liberalization, could destabilize the situation in recently acceded countries, which might deteriorate the liberalization process instead of improving it. Let me assure you once again that we understand the importance of liberalization and global integration and we support efforts to lift market restrictions. That, however, must be done in a sophisticated way in order to achieve a mutually acceptable result. Straightforward actions are not an option in this case. A problem is complex, therefore a wise solution, accounting for many variables, must be found.

We would also like to emphasize the lack of balance between trade and non-trade interests. Allow us to express the opinion that non-trade concerns in agriculture are not a token, to which a tribute has to be paid. It is a real issue, which must be accounted for. Only by finding a balance

between trade and non-trade concerns a fair and balanced agricultural trading system can be established.

Therefore, taking into account the aim to base further liberalization on a mutually advantageous basis and an overall balance of rights and obligations and the coexisting concern expressed hereby, recently acceded countries seek flexibility and appropriate accommodation of their concerns in the Ministerial Declaration and further process of negotiations.

We do hope that a new round will encompass those multiple issues that we have pointed out, thus contributing to the image of the WTO as a universal system. However, in order to be truly universal in every meaning of this word, the WTO still has to expand its borders. Such major players in the world trade arena as the Russian Federation and other CIS countries must be taken aboard. It is in the interests of all of us.

Having said all that, I would like to stress once again that a balanced agenda of the new WTO round reflecting interests of all the Members of the WTO should be built and followed in further negotiations.

As a final comment once again I would like to say that Lithuania strongly supports calls to start a new round of negotiations on trade liberalization. The WTO is understood as the global and authoritative forum of progressive and globally advantageous liberalization. The WTO is also seen as a well-founded body for establishing, strengthening and clarifying rules and principles of the international trading system. Mr Chairman, dear representatives of Member countries, it is our duty to justify this perception and to prove that we are able to cope with problems arising in a way to wealth and prosperity of the whole world. Wishing all the best for this conference, I would like to thank the distinguished authorities of Qatar for all their hard work and efforts that were put in order to organize this conference and for the hospitality we have been shown. Let us hope that this favourable atmosphere will contribute to favourable results of this conference.
