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Statement by H.E. Mr Rodrigo de Rato y Figaredo Second Vice-President and Minister of the Economy

I should like to join previous speakers and express my appreciation for the efforts made by our hosts, with particular thanks to Ministers Derbez and Canales, who have made this Conference possible, as well as the citizens of Cancún and the state of Quintana Roo and their authorities.

Over the next few days we are going to face the challenge of taking another step towards the global liberalization of markets and strengthening of the rules that govern trade among our countries, at a time when the international situation is showing the first signs of an economic recovery. There can be little doubt that agreement on some of the ambitious objectives of the negotiations under the extensive Doha Programme would be a signal that the Development Round was advancing as envisaged. Doha set ambitious objectives and it is now time to mark out the path that will enable them to be met, the only path for turning the rhetoric into reality, as the Director-General of the WTO urged us at this morning's meeting.

The Cancún Ministerial Conference must give a resolute political impetus so as to guide these negotiations without precedent aimed at sustainable development. Although we are not yet going to start on negotiating the final results of the Round, we must hope that we will be able to establish solid foundations for the negotiations that will give the multilateral trading system a new structure that better meets the needs of all. In all our countries, free trade has shown that it is not a zero sum game. The efforts benefit all.

It is Spain's view that the draft declaration provides a sufficiently balanced global whole to accommodate the interests of all Members and makes it possible to continue complying with the Doha Mandate. I greatly appreciate the efforts made by all the chairpersons, of groups, committees and councils who have worked so hard to provide the elements needed to develop this draft Declaration before us and, in particular, the efforts made by the Chairman of the General Council and by the Director-General of the WTO.

The necessary agreement to be reached in Cancún will be preceded by a consensus of the utmost importance. The major contribution of the Doha Round was to incorporate development into our work as the basic reference for free trade. Just a few days ago, we gave a positive demonstration of the sensitivity of each and every one of the Members of the WTO, which has made it possible to reach an agreement that satisfies Members whose capacity to manufacture pharmaceuticals is insufficient or non-existent, giving access to medicines at low prices in countries that face public health problems.

Having achieved this, we have to recognize that the timetables have not been respected in the case of other issues. We must therefore now work to reach an ambitious consensus on the issues that constitute the negotiating package: agriculture, market access for non-agricultural products, services,

rules, the Singapore issues. There should also be a specific pro-development component, in accordance with the Doha Agreement, that aims to put the needs and interests of developing countries at the heart of free trade. In this context, we consider that during this Conference we can agree on a significant number of improvements to special and differential treatment for developing countries and respond to concerns regarding the implementation of the Agreements, while at the same time pursuing negotiations on these issues.

As we have already advocated, our discussions at Cancún must be transparent for our societies and citizens. The participation of civil society, NGOs and all interested sectors ensures that our citizens understand our agreements. I should like to thank these organizations for their contribution.

As the Chairman of the Conference, Minister Derbez, reminded us, for a number of reasons agriculture became the central issue during preparations for this Ministerial Conference and was the chapter which took up the most time both in our capitals and in Geneva. The European Union, in particular, has given tangible proof of flexibility as regards reduction of trade-distorting domestic support, export subsidies, and facilitation of market access. Regarding the latter, I should like to draw attention to the considerable openness that already exists in the Community market for agricultural products, where the average level of tariff protection, taking the most-favoured-nation tariff and preferential access as a whole, is around 10.5 per cent, with free access for products from the least-developed countries. In all, 60 per cent of Community imports of agricultural products come from the least-developed countries and developing countries, which shows that they receive preferential treatment.

Spain considers that the joint position of the European Union and the United States on agriculture should enable an agreement to be reached within the WTO. The treatment given to products that are sensitive for developing countries should be taken into account, but always within the context of the global negotiations, as Mr Perez del Castillo, Chairman of the General Council, reminded us. In this connection, I consider that other countries should appreciate the fact that we have such an ambitious proposal before us today.

In order to be balanced, the agricultural negotiations package should take account of the necessary relevance of non-trade concerns, respect for the environment, animal welfare and protection of fair competition for products of quality protected by geographical indications.

Negotiations on market access for non-agricultural products are another of the basic objectives of our liberalizing efforts. Continuing liberalization in this sector, first in the GATT and now in the WTO, we must move towards further liberalization, including the reduction or elimination of the remaining high tariffs and tariff peaks which hamper trade, and so promote trade among all Members. A policy on trade credits for developing countries would be a positive element complementing the tariff reduction efforts.

In this general context, I should like to mention the fishing sector, which requires different treatment for a very specific reason: it concerns natural resources which it is important not to deplete and when reaching trade agreements compliance with the United Nations Convention on the Law of the Sea and international fishing agreements of regional scope must be taken into account. Straightforward market access without other considerations could lead to over-exploitation of resources.

Bearing in mind the objective of ensuring that developing countries become increasingly integrated into the multilateral trading system and derive the benefits which it offers all participants, we welcome the forthcoming accession of Cambodia and Nepal, which not only underlines the conviction that participation in the multilateral trading system is essential in order to ensure

development but also the positive attitude of the Members of the WTO with regard to the commitment to facilitate and accelerate accession by least-developed countries.

Within the EU, Spain has full confidence in the multilateral trading system and in the role of trade as an engine for development and globalization of markets. We must therefore not only strengthen trade between developed and developing countries but also among developing countries so as to maintain the current positive trend towards an increase in trade in goods among developing countries (which is currently some 10 per cent of total trade). An increase in such trade will provide the basis for increasing investment and, consequently, opportunities for developing countries.

I conclude by affirming that the way of achieving a more just and balanced world that takes into account the aspirations of all the Members of the WTO is to enhance free trade and, as President Fox stated, this should be combined with efficiency and equality of opportunity, rooted in special and differential treatment for developing countries. This is the only way in which we can envisage genuine expansion of markets for all countries.
