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LITHUANIA

<u>Statement by H.E. Mr Darius Jurgelevicius</u> Under Secretary of the Ministry of Foreign Affairs

It is an honor and a pleasure for me on behalf of the Lithuanian delegation to address the Fifth Ministerial Conference of the World Trade Organization here in Cancún. It is also my privilege to present you with our opinions and ideas on the agenda of this important gathering.

The present situation, as it has never been before, puts an extraordinary responsibility on the activities of the WTO, as a truly universal organization. Just two years ago, in November 2001, the WTO Fourth Ministerial Conference in Doha, culminated in the starting of a new, broad and comprehensive round of negotiations. The need for a great deal of work on the scene of a world economic system and a simultaneous necessity to take adequate account of the interests of a broad range of countries has been widely recognized by the Declaration adopted in Doha. Thus, we have no doubts that the existing international trade system along with further liberalization and strengthening of its rules and at the same time allowing flexibilities for the most vulnerable countries, are to be gainful for all the participants. Therefore, today we have gathered again for a vitally important and momentous task – collective decisions, impetus and recommendations for the ongoing process. Our today's consolidated efforts should greatly contribute to the general trust and reliance on benefits of the global trade system.

In this regard, I should note with particular satisfaction the recent efforts of delegations in Geneva allowing us to reach an urgently needed decision on TRIPS and public health and proving assurances of Members' full responsibilities and commitments in respect of vital social and humanitarian problems. I would also like to welcome the most recent decision on the modalities of special least-developed countries' treatment in services negotiations. Moreover, we extend our greetings to Cambodia and Nepal having completed their accession procedures and soon becoming a part of a multilateral system.

Now turning back to the individual issues of the Doha Development Agenda, I feel obligated to express my country's views on the issues of particular importance.

Lithuania devotes a special attention to the agriculture negotiations. As for most Members, agriculture constitutes the most sensitive sector of our economy and is in need of a smooth reform process.

However, Lithuania fully recognizes the benefits of the substantial progressive liberalization and considers this round of negotiations as being a crucial step in the global reform process. With all those circumstances in mind, I am sure that we, jointly, will be able to come to a reform-friendly and adequate solution.

In this respect, Lithuania welcomes the so-called "framework" approach initiated and further elaborated by the joint EC-US proposal and partially reflected in the document of the Chairman of the General Council. This approach, in our mind, allows to accommodate the interests of most, if not all the countries. We are sure it reflects the most realistic and achievable level of ambitions at this stage of the reforms and negotiations. Lithuania regrets that some other proposals fall short in reflecting a balanced and acceptable outcome. Proposals for non-trade distortive Green Box capping or reductions and elimination of Blue Box with minimum trade distortive effect are inconsistent with an ongoing agriculture reform process and even contradict the Doha mandate. Furthermore, we are convinced that all parties, with only exceptions of the most vulnerable ones, should participate and contribute to the global liberalization process according to their capacities and trade interests. However, we miss such provisions in the General Council's Chairman's draft.

Now, with regard to non-agricultural market access, I shall express Lithuania's strong confidence in the overall benefits of liberalization for all the parties. As a country that upon WTO accession process has made extensive market access commitments, Lithuania considers itself being a good example of liberalization to be followed by the other WTO Members. In this respect, Lithuania supports and calls for the application of a simple, single non-linear formula. Furthermore, Lithuania supports a complimentary liberalization approach by the application of a sectoral tariff reduction component though preserving its mandatory status.

As for the Singapore Issues, I shall recognize their respective importance and particular benefits. Specifically, I would stress the significance of improved trade facilitation rules. Lack of them proved to be an exclusive obstacle for my country's economic operators. Therefore, I strongly believe that a set of international trade facilitation rules, especially in the customs area, could help solving still existing problems of rather long border crossing, transit or documentation procedures and requirements. Besides that, it could also contribute to the creation of better business environment for international trade. Thereby, Lithuania would urge Members not to undermine emerging solutions.

As a final point, I would like once again to express our strong belief that the Cancún agenda would address all those manifold issues that we have raised. Important decisions, that have to be made here, will determine whether or not the Doha Development Round would be a success. To achieve this success, strong will and firm determination of all the WTO Member countries is needed. It is our collective responsibility to prove that the concept of development and globalization is not an empty phrase, and that the WTO is a driving force behind the universally acceptable liberalization. It is our privilege and duty at the same time to prove that we are capable to find adequate solutions to the challenges of the modern world.

Dear representatives of the Member States and observers, dear guests, let me wish all the success to this Conference and give my special regards and thanks to the organizers of this event. I am sure the perfect organization and hospitality we experience here, in its own turn, will contribute to the overall accomplishment of this forum.