



**Ministerial Conference
Ninth Session
Bali, 3-6 December 2013**

**OPENING SESSION
3 DECEMBER 2013
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DIRECTOR-GENERAL**

Let me once again pay tribute to the government and people of Indonesia for hosting this Ninth Session of the WTO's Ministerial Conference.

And to Minister Gita Wirjawan and your dedicated team for your hard work in setting the stage for this occasion.

I also want to take this opportunity to extend a warm welcome to those who have joined the WTO since the last Ministerial Conference in 2011.

We have six new Members: Montenegro, the Russian Federation, Samoa, Vanuatu, Lao PDR and Tajikistan. And at this Conference, we expect to mark the accession of Yemen.

So welcome to you all, we hope that your first Ministerial Conference will be a notable one.

Importance of MC9

Ladies and gentlemen, as we meet here today, the future of the WTO and the Multilateral Trading System is in the balance.

This Ministerial Conference will determine the path we take:

One option is to continue with our routine work:

- monitoring the implementation of agreements;
- keeping the dispute mechanism functioning efficiently; and
- expanding the system through new accessions...
- **but not reaching multilateral decisions;**
- **not delivering on growth and opportunities;**
- **and not delivering for the developing world.**

Or, we can seize the opportunity we have here to move towards a strengthened, vibrant global system, which supports growth and development, and which integrates poorer nations into the system and into the world economy.

This is the choice that you must make here over the coming days.

The economic and trade context

We meet at a time of change in the trading system.

The fragility of growth in the global economy has affected trade flows.

Economic conditions have generated protectionist pressures in some areas. This is predictable behaviour.

And, at the same time, trade patterns and practices are forever evolving.

We are seeing:

- new economies emerge;
- shifts in production and consumer behaviour;
- technological innovation continuing apace; and
- supply chains becoming further internationalised.

Yet, against this backdrop of constant and unpredictable evolution, global trade rules remain unchanged.

We have not been able to fully respond to a new generation of protectionist measures, or to the challenges of development, or even to the arrival of the internet.

If the system is to remain viable and meaningful we must respond collectively to address these challenges.

The first step is to deliver here in Bali and then to complete the Doha Development Agenda.

The Bali Package

At the last Ministerial Conference two years ago, you recognised that negotiations were at an impasse. You instructed us to focus on some achievable parts of the wider agenda.

It was an important decision. Work has been going on since then to deliver on this mandate.

And since I took on the role of Director-General in September we have spent hundreds of hours, day and night, negotiating the package that is before you today.

The process was open, inclusive and transparent. All voices have been heard.

My gratitude goes to the Chairs of the negotiating groups, and to the Secretariat, for their tremendous efforts over the last couple of months.

But, above all, I want to thank your ambassadors and negotiators in Geneva who have worked tirelessly and constructively towards our shared goal.

I believe that the package we have brought from Geneva – that is before you today – contains measures which are of great significance, both to Members individually, and to the world economy as a whole. It would enable the multilateral system to move forward – and it would enable the WTO to breathe again.

The package contains 10 draft texts, comprising: a draft trade facilitation agreement, four texts on agriculture, and five covering development and LDC issues.

I will just say a few words on each area.

Trade Facilitation

The Trade Facilitation pillar sets out to cut red tape and streamline customs procedures.

By minimizing unnecessary border delays in this way, it is estimated that we could provide a boost to the global economy worth up to \$1 trillion per year – thereby delivering much needed growth and jobs.

The text that we brought from Geneva will also ensure the provision of technical assistance to support developing economies and the least-developed economies to implement these reforms, and support their better integration into global trade flows.

Customs modernisation and upgrading alone may not be sufficient to integrate developing countries and LDCs into global patterns of supply. But it is clearly an indispensable and necessary step.

And, indeed, developing countries would stand to gain the most. It is estimated that we could see an expansion in their exports of up to 10% – compared to a 4.5% expansion in developed countries.

It is significant that there is not, in this pillar or in the package as a whole, a developed versus developing divide.

Agriculture

Next, the agriculture pillar.

Agriculture is a cornerstone of the Doha Development Agenda – these issues are very dear to developing countries.

And in this area our package also delivers important outcomes.

The texts we brought from Geneva would set us on track for a reform of export subsidies and measures of similar effect, and it would provide for better implementation of tariff rate quota commitments.

Both of these measures would potentially have very positive effects in boosting agricultural trade, and in setting the stage for future negotiations.

The agriculture pillar would also provide temporary protection for food security programs under which countries stockpile grain for distribution to the poor.

In certain developing countries these programs run the risk of legal action where they exceed agreed subsidy limits.

So the text we brought from Geneva would not only provide this temporary shelter from legal action but, more importantly, it would put in place a work program to find a permanent solution to this issue.

Development

Finally, the development pillar.

Here, a monitoring mechanism would provide for the review and strengthening of special and differential treatment provisions, which are contained in all WTO multilateral texts. This is a vital achievement for developing and least-developed countries.

There are also a series of specific measures here to support the least-developed countries.

This includes reforms that would enable services providers in LDCs to enjoy new export opportunities in developed country markets.

There are steps that would simplify rules of origin requirements which would, again, open up new export opportunities for the LDCs.

Under this pillar we would also see improvements in trade preference arrangements which extend duty-free-quota-free treatment to LDC exports.

And, finally, we would see a commitment from WTO members to enhance the productive capacity of developing country cotton producers, especially LDCs – and to improve transparency on the barriers that they encounter in major consumer markets.

Assessment of Progress

So this is how far we have come.

The good news is that we have a package of extremely significant issues on the table which would represent a huge success if it can be finalised here.

The bad news is that these are not fully agreed texts.

There are still some issues to be resolved.

This is a single package – you can't remove a pillar, or even a brick from a pillar, without bringing the whole edifice down.

We failed to find full convergence in Geneva. We came truly close to a successful outcome but we didn't quite get there.

Ministers have a chance to change this.

What's at stake

By failing to deliver this package we would fail businesses around the world.

We would fail the unemployed and the underemployed.

We would fail the poor, we would fail those who rely on food security schemes, we would fail developing country farmers, we would fail developing country cotton growers, and we would fail the least-developed economies as a whole.

And that is just through the loss of this Bali package.

When you look beyond that, the cost is even greater.

What's at stake is the ability of this institution to support growth and development – the contribution we make to the lives of people on the street around the world.

What's at stake is the cause of multilateralism itself.

The multilateral trading system was never the only option for trade negotiations. It always co-existed with, and benefitted from, other initiatives – whether regional or bilateral.

But if these non-multilateral undertakings become the sole negotiating channel, then we have a problem.

In such fora the agenda is inevitably limited – issues of importance to developing countries, like agricultural subsidies, are not included. And developing countries also lose out in terms of participation.

The smallest would be marginalised from virtually all trade negotiations.

This would be a tragic outcome.

In recent negotiations in Geneva, developing countries have played a major role. They have been working hard for this package.

In just the last few days we have seen statements from across the developing world calling on WTO members to deliver a deal here in Bali.

Many developed members have been just as vocal that they want to see the package succeed.

This has been the overwhelming view that I have heard in my consultations with Ministers from all over the world.

Members want a deal.

Well, now it's time to deliver.

Conclusion

A successful outcome is still possible.

We made a lot of progress so far – and we are almost there. We are almost at the finish line.

What halted our work in Geneva was not a lack of effort or a lack of commitment – rather it was a few, very limited, specific and localised issues that require political calls to overcome – political calls of a nature that we simply cannot make in Geneva.

This is what the next few days are about. That's why we're here.

We cannot put this off for another day. There is no simple option of taking this work back to Geneva.

The message I hear from members is that we have to finish this work here – this week. It's now or never.

If ministers can make the political calls to deal with these few remaining obstacles, then we will have a package.

And we will have a vibrant multilateral trading system once again.

That's what we expect. So I hope you are ready.

A deal is still possible. It is in your hands.
