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ADDRESS BY DR. SUPACHAI PANITCHPAKDI **DIRECTOR-GENERAL**

Let me begin by paying tribute to the government and people of Mexico for hosting the Fifth Ministerial Conference of the WTO. I thank you, Mr. President, Minister Derbez, and all those who have assisted in the preparations for the excellent arrangements and facilities. Hosting a Ministerial Conference is certainly a heavy undertaking and I commend you not just for your generosity but also, if I may say so, for your courage !

Nearly two years ago we embarked on the momentous undertaking known as the Doha Development Agenda. We have made progress – significant progress in some areas. We have also, inevitably, had our share of difficulties. But there is no doubt in my mind that, with renewed commitment and energy, we can deliver on the DDA in a timely way. Just two weeks ago, we concluded a historic and significant agreement on TRIPS and Public Health. This is evidence that the WTO system is working and can produce important results on critical issues of particular interest to developing countries. The added confidence and vigour that we have all drawn from this agreement must now be applied to the challenges we face in the negotiations.

Our meeting here in Cancun is not to conclude the Doha Development Agenda. But we do need to leave in a few days time having created the climate and conditions under which the negotiations can conclude successfully by 1 January 2005. This requires Ministers to make key political decisions and to provide the type of guidance that will propel us forward. We should learn from the past and face the reality that we cannot keep postponing decisions, even if they are sometimes difficult. There comes a time when rhetoric has to be backed by action.

This Conference is significant not just for the WTO and international trade. We should see the Doha work programme in its broader context. The UN Millennium Development Goals seek to halve the number of people living in extreme poverty and hunger by 2015. We can make a significant contribution towards achieving these vital goals by removing the shackles on world trade. A few days ago, UN Secretary-General Kofi Annan said that the decisions which Ministers will take here have the potential to make a real difference to the lives of millions of people in poor countries.

Much improved market access, for instance, could help developing countries to increase their exports by many billions of dollars per year. The gains from the elimination of barriers to trade in both industrialised and developing countries will be very substantial - many times more than the amount of overseas development aid considered necessary to achieve the Millennium Development Goals. Developed countries also stand to benefit significantly from freer trade and strengthened multilateral trade rules. Trade, after all, is not a zero-sum game. The choice is clear. Aid is certainly necessary but it is trade that will generate decisive results for sustainable development.

We must, at the same time, pay attention to the plight of less privileged countries. These countries need time and assistance to adjust their economies and their trade regimes to the process of closer multilateral economic integration. As our negotiations move forward, we must work closely with Finance and Development Ministers, and with the Bretton Woods institutions, to ensure we have in place a generous and broad-based package of support for these countries that will allow them to

draw in full the benefits of participating in the multilateral trading system. I have been very encouraged by recent contacts with the IMF and the World Bank in that regard.

This Round is about development and we will only achieve the objective of trade and development, if there are benefits for all. Riding on the Round are the hopes and expectations of millions of people around the world for a brighter future. We must not fail them.

Consider also the state of the world economy. In 2001, for the first time in two decades, the volume of trade contracted by 1 percent. Last year, although trade flows expanded by 2.5 percent, this was still well below the average trade expansion in the 1990s of around 6.5 percent per year. The outlook for the world economy remains uncertain and, despite some encouraging recent signs, we are not yet fully on the road to sustainable recovery. A strong message from this meeting that Ministers are determined to promote growth through trade will give a much needed injection of confidence.

We face a choice here in Cancun: either we continue to strengthen the multilateral trading system and the world economy; or we flounder and add to the prevailing uncertainties. The eyes of the world are on this Conference and people will judge us by the choice we make. There is only one possible answer: we have to deliver on the first choice. And we must do so, not simply because we have a commitment to meet a deadline, but because anything less would delay the chance for our peoples to change their lives for the better. This would be unacceptable to us and, most importantly, to them.

Let us not however be under any illusion. Reconciling the interests of 146 Members plus other participants is necessarily a delicate and complex exercise. In the next few days, the hours will be long, the work arduous and difficult. The challenge is tough but not insurmountable. Thanks to your Ambassadors in Geneva, who have worked very hard and engaged constructively, there has been progress in our negotiations. We have not solved all problems. Indeed we all know that differences persist in various areas. Nevertheless the Geneva process has brought into clearer focus the decisions and guidance that Ministers are committed to provide under the Doha mandate.

If the Cancun Ministerial is to help create a positive climate in which to finish this Round successfully and on time, it needs to produce a balanced outcome. Over the next few days you will, of course, continue to pursue your national interests as you see them. That is what you are here for. But I would ask you to also bear in mind that that your interests cannot be achieved unless we have an outcome that can offer something to all.

The wide diversity of interests represented here, together with the need to make progress across all fronts, means that all participants should be prepared to work in a spirit of flexibility and understanding. The progress that we make in the days ahead will depend on the willingness of each Minister present here to lead the way by engaging in a process of give and take. Putting together the right package, and advancing your national interests, requires compromises from all in the common interest of moving the DDA positively forward.

Let us also remember that we all share a vital interest in strengthening the rules-based multilateral trading system. In an increasingly integrated world, the WTO remains the unique forum for global trade rule-making and liberalization.

In the future, when the world looks back on Cancun, I hope it will see this Ministerial Conference not as just another staging post on the long road of trade negotiations, but as the place and moment where we came together and crystallized and capitalised on the spirit of unity that made the launch of the Doha Development Agenda so historic.
