

WORLD TRADE ORGANIZATION

WT/MIN(03)/12
10 September 2003

(03-4726)

MINISTERIAL CONFERENCE
Fifth Session
Cancún, 10 - 14 September 2003

Original: English/
French/
Spanish

UNITED NATIONS

MESSAGE OF THE UN SECRETARY-GENERAL, MR. KOFI ANNAN

Delivered by Mr. Rubens Ricupero, Secretary-General,
United Nations Conference on Trade and Development

The rhetoric of global trade is filled with promise.

We are told that free trade brings opportunity for all people, not just a fortunate few.

We are told that it can provide a ladder to a better life, and deliverance from poverty and despair.

And we are led to hope that the current round of trade negotiations will deliver on this promise.

Sadly, the reality of the international trading system today does not match the rhetoric.

Instead of open markets, there are too many barriers that stunt, stifle and starve.

Instead of fair competition, there are subsidies by rich countries that tilt the playing field against the poor.

And instead of global rules negotiated by all, in the interest of all, and adhered to by all, there is too much closed-door decision-making, too much protection of special interests, and too many broken promises.

The issues are often technical, and do not usually lend themselves to dramatic television coverage, like war or extreme weather. But let there be no doubt: the damage is profound, and the victims can be counted in the billions.

They include poor farmers who, instead of being able to trade their way out of poverty, are driven out of business by trade barriers, or penalized with new barriers when, against considerable odds, they become successful.

They include the sick and the dying, whose suffering has been needlessly prolonged by lack of access to affordable, life-saving medicines.

And let us not forget the enormous opportunity cost: millions of jobs, and hundreds of billions of dollars in income, could be created with just a few reasonable steps that governments have so far been unwilling to take.

The answer is not to turn our backs on the potential of open markets. That would be disastrous.

After all, the World Trade Organization, and its predecessor, the General Agreement on Tariffs and Trade, have helped to bring the world a remarkable half-century of economic progress.

But too many countries have been left on the margins. A system that was meant to be mutually beneficial sometimes seems more like a zero-sum game.

Far from being empowered, the fisherman in Vietnam, the cotton-grower in Burkina Faso, and the indigenous cultivator of medicinal herbs in Brazil are being held down.

The answer is to unleash their potential. Just as we need to improve the multilateral security framework, so we must rebuild faith in the multilateral trade framework. Without progress now, today's bitterness may well become tomorrow's backlash.

We cannot solve all these problems here at Cancun. But we must make a start.

An important step has already been taken on the issue of intellectual property and public health. I welcome the recent agreement on a mechanism to give developing countries which cannot produce cheap generic drugs the right to import them from other countries which can. We must now make sure that the agreed system is flexibly implemented, so that developing countries can gain access to medicines. This is a moral imperative. I urge all concerned to support developing countries – including with technical and legal assistance – so that they can make maximum use of the agreed mechanism to address their public health concerns.

But if the result here at Cancun is to be considered credible, we must tackle the broader issue of trade in agricultural products – an issue that can be economically decisive for many countries. We must eliminate the subsidies that push prices down and make it impossible for poor farmers in developing countries to compete.

Those who press poor countries to open their markets may indeed have those countries' best interests at heart. But can we be surprised that poor countries are reluctant to take them seriously, when they find the markets of rich countries still closed to their products, and when they have to compete at home, and in the world market, against subsidized products from those same rich countries?

These barriers and subsidies in developed countries must be phased out, as fast as possible, for the sake of humanity.

To do so is in the interests of rich and poor alike. Trade barriers and distortions can hurt a country's health whether it is developed or developing. Developed countries spend vast sums on subsidies, often propping up relatively small and unproductive portions of their economies. In the process, they hurt their own citizens twice – as taxpayers and as consumers.

There are surely better ways to help those farmers in rich countries who genuinely need help, than by subsidizing big exporters so that much poorer farmers in poor countries cannot feed their families. It is not hard to imagine a system under which just about everyone would be better off.

Agriculture is a crucial issue. But it is not the only area where the existing world trade order is imbalanced. Opportunities for developing countries must also be opened by effective liberalization of trade in textiles, by specific agreements that allow them to participate actively in the growing trade in services, and by faster transfer of technology.

Of course, developing countries also have a responsibility to help themselves.

As a group they have taken important steps -- often unsung and unrequited -- to liberalize trade in the last fifteen years. But some of them could do still more to seize export opportunities. For example, they could improve efficiency and competitiveness by reducing barriers to imports -- particularly from other developing countries.

But trade liberalization is no panacea for developing countries. For many of them, it involves considerable adjustment and social costs. There is a need for synergy and proper sequencing -- between the capacities of the developing countries, the level of obligations they are to take on, the cost of implementation, and the adequacy of financial and technical resources available to them. Developing countries need aid for trade, and such aid must not come at the expense of aid for development.

Indeed, trade liberalization must be carefully managed as part of comprehensive development strategies that encompass health, education, the empowerment of women, the rule of law and much else besides. Developing countries need help in building the institutions and infrastructure, acquiring the technology and skills, and putting in place the legal regimes, that will enable them to make the journey. The least developed countries in particular often need genuinely special and differential treatment -- not simply more time to comply with new rules.

Trade is the most visible manifestation of globalization. It has proved its ability to deliver jobs and wealth for some. Yet there is widespread unease, and even distrust, about the new economic and technological spaces we inhabit. So many people have yet to benefit, and in the developing world there has been great dislocation without a safety net.

You, the world's trade ministers, must show those people that you have heard their cries for fairness. You must give them confidence that, from now on, your negotiations and decisions will really meet their needs and reflect their aspirations.

You have an awesome responsibility, and a great opportunity. Your decisions can make the difference between poverty and prosperity, and even between life and death, for millions upon millions of people.

Here in Cancun, I implore you to say: "no!" to trade policies that aggravate poverty, and "no!" to trade practices that undermine aid.

And I urge you to say "yes" to bold but sensible steps that will revive the global economy and set a new course for development.

You must, at long last, match deeds to the fine words that are in danger of losing their meaning.

Let Cancun send the world a message of hope -- hope that trade will make good on its promise for all.
