
MINISTERIAL CONFERENCE

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1. We meet in Cancún at a critical political juncture. Disagreement over the war in Iraq has fractured the UN and the Atlantic Alliance. If we are unable to summon the collective will in Cancún to push forward the Doha Development Agenda, the multilateral system will be further weakened. Some may say that it does not matter if it takes a few more years to conclude the new round. After all, the Uruguay Round took seven and a half years. But we can't be sure. If the Doha Development Agenda drags on, every country, big or small, will make alternative arrangements. The world trading system will then be organized around economic blocs. That kind of a world will be less favourable for many countries, particularly the smaller and weaker ones. It will also be a more dangerous world where might is right, where rules are written by the powerful, and where even the pretence that all countries are equal will be discarded.

2. But it will not only be the smaller and weaker countries which will suffer. If the sense of injustice and unfairness becomes too great, one way or another, the problems of the Third World will become that of the First. Economic globalization has also globalized the problems of poverty, of terrorism and of disease.

3. Our inability to make progress on the Doha Development Agenda has been deeply frustrating. We failed miserably to launch the New Round in Seattle. In Doha, two months after September 11, we succeeded spurred on by a sense of common danger. But since then every deadline has been missed, every attempted compromise scuttled by one objection or another.

4. We have an opportunity in Cancún to put the negotiations back on track. The Chairman of the General Council, Carlos Perez de Castillo, has produced a text which we can work on, together with the other texts which have been tabled. If we are unable to come to an agreement here on the way forward, there is no chance that we can conclude the Doha Development Agenda by 1 January 2005. Then we may have to wait many more years. Once the immediate prospect of a deal recedes, the domestic politics in every country will alter quickly in favour of those who oppose liberalization and prefer protection. If we fail here in Cancún, the world will take a different turning. However we may gloss over our failure, everyone in the world will know that we have failed and the political consequences will be severe.

5. Therefore we must not fail. And, in order not to fail, we have to show greater respect for one another's position and find creative ways to accommodate our different interests. With sufficient goodwill and political will, we can create a common framework here in Cancún for negotiations to be concluded by the end of next year.

6. Take, for example, the issue of TRIPS and Public Health. In Geneva, we finally agreed on a Chairman's Statement which all countries could accept, and not only the major protagonists. It was

right that everyone had the opportunity to speak. This has lifted our mood and given us greater confidence to work together on the issues before us.

7. Agriculture is the key item on the Agenda. The text of the Chairman of the General Council and all the other texts which have been tabled provide a basis for our deliberations on agriculture. If, even at this level of generality, we cannot reach broad agreement on a framework for modalities, there is no chance of our making progress subsequently in Geneva and meeting the 1 January 2005 end date.

8. All other issues turn on agriculture. The more general we are on agriculture, the more general we will have to be on NAMA and on the Singapore issues. The less ambitious we are on agriculture, the less ambitious we will have to be on NAMA and the Singapore issues.

9. On agriculture, I make a plea to the developed countries to rise above their domestic politics and be more generous to developing countries. The hundreds of billions of dollars of subsidies spent every year by the developed countries make a mockery of the global trading system which developing countries are constantly being asked to support. Of these, export subsidies do the most damage. If we cannot phase out all such trade distorting measures quickly, let us at least make this a clear target to aspire to. This indeed was what we agreed to in Doha and which justified our proclamation of the new round as a development round.

10. Above all, there must be a sense of hope in the multilateral system when we leave Cancún. When China and Chinese Taipei acceded to the WTO at our last ministerial meeting in Doha, we celebrated. Here in Cancún, we celebrate the accession of Cambodia and Nepal. The idealism which created the GATT in 1947 in response to the protectionism which led to the Second World War should continue to guide our actions in the WTO. However cumbersome its processes, the WTO still represents our best hope for a world in which all countries can participate democratically to formulate rules which bind us all equally.
