

# WORLD TRADE ORGANIZATION

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## DENMARK

Statement by H.E. Dr Per Stig Møller  
Minister for Foreign Affairs

Speaking on behalf of the Kingdom of Denmark including Greenland and the Faroe Islands, I would like to thank the Government of Mexico and the city of Cancún for hosting this Conference. My appreciations also go to you Mr Chairman, to the Director-General of the WTO, and to the Chairman of the General Council.

The global economy needs a successful round of trade negotiations. Here in Cancún, we must pave the way for progress in the Round. We have a historic opportunity to set the pace for a comprehensive outcome to the Round. That will not only help create free and fair trade. A successful meeting will be crucial to the ongoing efforts to restore confidence and to boost economic growth. It provides an opportunity of integrating developing countries in the world economy. And – not least – it will strengthen the WTO as one of the cornerstones of the international political scene. If we succeed we will contribute to a more powerful and stable world based on multilaterally agreed rules.

In theory, our task is simple. Two hundred years ago David Ricardo introduced his theory of comparative advantage. In practice, the task is more complicated. It is not just a question of harvesting the advantages to the detriment of others. The challenge is two-sided. We need to cooperate to maximize benefits. And we need to ensure that benefits are distributed in a manner that suits all parties and interests.

I am sure you have all had the following experience. You are watching an exciting football game. But in spite of nice and comfortable seats the persons in front of you constantly get on their feet to improve their view. As a result you lose your view which means that you now rise up and spoil the view for other spectators. In the end, everybody is left standing. Due to lack of cooperation, no one is able to enjoy both the comfortable seats and the game. Everybody is made worse off than they could have been, because of the egotism of others.

John Nash received the Nobel Prize in economics for describing exactly this kind of inefficiency. At this Ministerial we have a responsibility for not falling into this trap.

Our will to compromise will establish the only way forward.

Developing countries should be given real opportunities for eliminating poverty and improving living conditions of their citizens. In this respect trade is a key instrument. Developing countries should have as unrestrained access to our markets as possible. Moreover, we as donors must be ready to support developing countries in their efforts to capture new markets and strengthen their foothold on existing ones. In this context the necessity of translating trading opportunities into actual trade and to growth and development should be underlined. For many developing countries aid

and assistance is necessary in order for them to reap the benefits of tariff reductions and trade concessions.

The Danish Government has adopted a strategy that spells out how Denmark will support developing countries in their efforts to capture the benefits of trade. The overall ambition is to ensure that international trade regimes and development cooperation supplement each other in this respect. To move the trade and development agenda forward, we hosted a meeting in Copenhagen in May; US\$8 million were pledged for the Integrated Framework of Trade-related Assistance to the Least-Developed Countries.

Developing countries should also be prepared to market openings themselves and generally pursue policies that enhance their trade potential and ability to make sure that the gains benefit everyone. Big gains are to be expected, not least from "South/South" trade. Isolation and protectionism is not the way forward. History speaks for itself on this matter.

For the least-developed countries, a special effort should be made. All countries with developed economies should follow the example set by the EU and grant full market access to the least-developed countries. In this process the special needs and concerns of small economies should be taken into account. We must give special consideration to their particularly vulnerable situation.

Speaking of particularly vulnerable, I would like to take the opportunity to welcome the agreement on access to medicine. This agreement is a milestone in the WTO. First and most important it will literally mean the difference between life and death for thousands of people. At the same time, it carries the strong message of making globalization work for the poor.

Denmark is generally in favour of liberalizing trade. This goes for all products – however sensitive they might be.

Agricultural products most certainly belong to this category. Trade-distorting subsidies must be eliminated to the extent possible. It is possible to do so – also when taking into consideration the different needs of different countries. Some – like the EU – pay special attention to environmental issues and animal welfare. Others – in particular developing countries – have a need to preserve and protect large rural populations and their agricultural production. It is important that we strike the right balance in a global solution.

Also trade in industrial products trade should be liberalized. Tariffs should be eliminated; non-tariff barriers removed, and unnecessary and burdensome procedures be simplified. Liberalization of trade in fish products is important, and of course of particular importance for the Faroe Islands and Greenland.

Products of special interest to developing countries need specific attention. This goes in particular for textiles and other products where developing countries have particular advantages.

Let me also mention services as a sector, with a lot of scope for progress – although we have to proceed with respect for countries' right to regulate and ensure sectors such as education and health.

In addition to liberalizing trade, we strongly favour a set of multilateral rules in the WTO.

Rules that all countries have to follow – large as well as small, rich as well as poor. This is the best way of making globalization work for all. It is a means of creating a better and more predictable world. This is one important reason why we should include the so-called Singapore Issues in the negotiations. Through better rules for investments and competition, the developing world surely will get more investments and more jobs.

Liberalizing trade should go hand in hand with sustainable development. Promoting the environment does not mean creating barriers to trade. The combination of more trade and a better environment should be high on our agenda.

With regard to the social dimension of globalization, Denmark would like to see a strengthened cooperation between the WTO and the ILO. Although the social dimension of globalization is not part of our agenda, it is an important dimension that must be borne in mind.

Also I should like to mention the objective of transparency. We need openness in trade policy. This applies to the WTO as well as to Member States. Openness and public involvement are necessary elements if we aim to maintain support for global trade liberalization.

Finally, I would like to repeat my most sincere hopes that this Ministerial Conference will create the progress the world is waiting for. The WTO should become a symbol of progress and new opportunities for people in a more peaceful world. This can only happen if we are all willing to compromise and cooperate in a true global partnership where a fair and free market will be to the advantage of all of us.

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