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Statement by H.E. Mr. Halldór Asgrimsson
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The shadow cast by the terrible terrorist attacks on this day two years ago still looms over us. The tragic death this morning of Anna Lindh, Minister for Foreign Affairs of Sweden, an esteemed colleague and a personal friend, further deepens this shadow. Once again we have witnessed how irrational forces can threaten the fabric of our democratic societies and our normal way of life. We have to be steadfast in our determination not to let these events control our agenda but on the contrary work on towards our common goals.

This Organization has come together here in Cancún to make this a better world for future generations and create new opportunities for the developing countries. We have to assume our responsibilities to all mankind. I knew my friend Anna Lindh had high hopes for the success of this meeting and the best way to honour her memory would be to continue our work towards that end.

The multilateral trading system is a proven vehicle in promoting economic development and growth and is central to the future prosperity of our nations. But more than ever, particular attention needs to be paid to the needs of the least-developed countries, ensuring that they fully reap the benefits the multilateral trading system has to offer. A prerequisite to our future success is recognition of the fact that Members, be they developed or developing, have different interests and different sensitivities, which must be taken into account in the pursuit of further trade liberalization.

A case in point is agriculture. Iceland is in full support of the Doha agenda and will continue to play a positive and constructive role in its advancement. However, our diverse agricultural sectors - which have developed in very different production conditions and through which we pursue a wide range of policy objectives - must be afforded a realistic opportunity to adapt to the realities imposed by substantial reform.

Iceland places tremendous emphasis on non-trade concerns and development considerations so that the potential benefits of further trade liberalization in agriculture can be universally shared among consumers and producers. We as Members must also share the burden of reform in a balanced and equitable way.

We are concerned that the draft Declaration fails to incorporate the sort of flexibility our different interests require. We have two main concerns:

First, in agricultural market access the harmonization proposal of tariff capping falsely presumes that one size really does fit all. We also see no justification for the mandatory expansion of tariff quotas. It needs to be emphasized that Iceland already imports more than half of its domestic food consumption and most of those products enter the market without any tariffs or quantitative restrictions. On these issues, we are actively pursuing a better balance of interests.

Second, we need to retain appropriate flexibility in our domestic support commitments. Iceland's domestic support policies reflect the severe difficulties we confront in maintaining a viable agricultural sector on the edge of the Arctic Circle.

Iceland's objective in the elaboration of modalities is to safeguard the ability to sustain domestic production through policies that are appropriate to our production conditions. Non-trade concerns must be addressed in a meaningful and effective way. In our case, production-linked policies have proven to be necessary tools to accommodate our diverse policy objectives in agriculture and further commitments must take this into consideration. What we simply require is the sort of flexibility which the European Union by virtue of its size and range of agriculture will continue to have in favour of certain regions, or the United States will continue to have in support of its marginal agriculture.

With respect to export subsidies, we stand ready to undertake commitments with a view to their abolition. But this flexibility rests on the appropriate balance being found across all three pillars.

On non-agricultural market access, we have a balanced but fragile proposal for our consideration and we thus caution against upsetting it. This proposal seems to provide enough flexibility to accommodate the needs of developing Members and newly acceded Members. We welcome proposals on tariff elimination in certain sectors, such as for textiles and fisheries products which are important sectors for developing countries. We also emphasize the elimination of so-called nuisance tariffs, which is long overdue.

We are pleased that a solution has been found regarding the access of developing countries to low-cost pharmaceuticals.

We strongly support advancement of the so-called Singapore Issues and it is essential that a time-frame be set for their negotiation. Services are a prime stimulus of world economic growth and they remain a key issue in these negotiations.

We welcome the progress made in the negotiations on fisheries subsidies and the growing awareness that this is an issue that needs to be effectively addressed.

It is fundamental to the well-being of the multilateral trading system that the fruits of our labour here in Cancún be rightly perceived as a success. I urge you to keep in mind that the principles of adaptability and flexibility must be key ingredients in our continued endeavours.
