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## CROATIA

Statement by H.E. Mr Ljubo Jurčić  
Minister of Economy

On behalf of the Government of the Republic of Croatia, let me begin by thanking the Mexican Government for the warm hospitality and excellent organization of this Conference in the beautiful setting of Cancún.

Almost two years ago in Doha, we agreed on launching a new round of multilateral trade negotiations with a hope that it will bring benefits and contribute to the growth of our respective economies and increase the standard of living for our people. Being a small and open economy with large market access opening already undertaken upon its WTO accession, Croatia supported the new Round.

Since the beginning of the new Round, there has been some progress in negotiations, however, there is still a long way to go. Concerning the preparatory process for Cancún, the procedure used by the Chairman of the General Council and the Director-General appears to be the only possibility at this stage. We can go along with the format of the Draft Ministerial Text being used as a basis for further work and negotiations in this Conference. On the substance, we still have concerns and difficulties in some key areas.

Let me first welcome the adoption of the Decision on the implementation of paragraph 6 of the Doha Ministerial Declaration on the TRIPS Agreement and Public Health. This is a significant step that undoubtedly contributed in creating a better atmosphere before this meeting.

Our position in this round of negotiations is based on the fact that Croatia has recently become a WTO Member. In this process, we have made extensive market access commitments in the key areas of agriculture, non-agricultural market access and services. This has been clearly recognized in paragraph 9 of the Doha Ministerial Declaration. In many aspects those commitments went far beyond those agreed in the Uruguay Round.

It is therefore our strong belief that such a specific situation of Croatia and other recently acceded Members should be fully taken into account and adequately reflected throughout the negotiations. This is why several specific proposals have been made in the areas of agriculture and non-agriculture market access requesting that any future agreements contain adequate and meaningful specific flexibility provisions for recently acceded countries.

With regard to the format of the negotiations and eventual decisions on the issues of agriculture and non-agricultural market access, we share the view that the realistic way to go would be to agree on a framework and subsequently work on modalities. However, the texts of Annexes A and B on recently acceded Members as they stand right now are sources of important concerns for my delegation.

Let me recall the proposal on agriculture made by a group of recently acceded Members from August 2003 (document JOB/(03)/170) on the necessity to include specific flexibility provisions related to their future commitments in any Cancún agreement. On market access, such provisions would exempt low duties from further reduction commitments, provide for lower tariff reductions, longer implementation period for new commitments and a grace period before the implementation of new commitments.

Moreover, any solution agreed for a special safeguards instrument should be accordingly applicable to recently acceded Members. Otherwise only seven or eight WTO Members would not have recourse to any such safeguard instrument. Flexibility provisions for recently acceded Members in the form of grace period and longer implementation periods should accordingly apply to domestic support reduction commitments.

Croatia believes that the current basic architecture for domestic support disciplines should be maintained. We can not agree with proposals aiming at the elimination of Blue Box. The same goes for reduction commitments on domestic support that would impede the continuation of our domestic reform and the pursuit of legitimate non-trade concerns.

On NAMA, the joint negotiating proposal of recently acceded countries from March 2003 (document TN/MA/29) as well as our subsequent statements call for specific provisions on lower tariff reductions including a higher coefficient in formula, longer implementation period and a grace period before the implementation of new commitments. Moreover, the sectorial tariff elimination in the case of recently acceded countries can only be voluntary. We would also have extreme difficulties to go along with the elimination of the so-called nuisance duties, as this would penalize countries that have already significantly liberalized their markets.

Concerning other areas of negotiations, Croatia will continue to be actively engaged and contribute to their successful outcome. In this respect, let me state our particular interest in the services negotiations. We also attach importance to the Singapore Issues and rules negotiations.

There is no doubt that we have a difficult task ahead of us in the next few days. However, with sufficient level of tolerance, readiness to take into account the interest of others and to compromise, we should be able to reach a satisfactory outcome of this Conference. Let me assure you that Croatia is ready to contribute its share.

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