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MOLDOVA

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Allow me on behalf of the Government of the Republic of Moldova to express my pleasure for having this opportunity to address the Fifth Ministerial Conference of the WTO held in Cancún.

First of all I would like to welcome the work of the WTO Secretariat and the Mexican authorities for their hospitality and organization of this important event for the multilateral trading system. We welcome the efforts of the Chairman of the General Council, the Directors-General and the WTO Members in striving to prepare a draft Ministerial text, which would serve the interest of each Member of this Organization. In this respect, Moldova accepts the draft as a basis for further negotiations. We are of the view that the draft of the Ministerial text presents a middle ground between the various positions expressed by the Members during the preparatory period.

We would like to congratulate the WTO with adoption of the Decision in one very important area for developing countries - TRIPS and Public Health. In our view this represents a significant event on the road to completing the Doha Development Agenda Round of trade negotiations.

Nonetheless, Moldova also has certain concerns and preoccupations regarding the negotiating Agenda. Moldova emphasizes that agriculture is one of the most sensitive and key element of the Doha Development Agenda. In this respect, Moldova is reiterating the fact that we had consistently raised in the preparatory period the issue of the specific situation of Moldova, as well as for most of the newly acceded countries.

Moldova as a recently acceded country is honouring all its commitments with the firm conviction that the country's active participation in the multilateral trading system is contributing to its economic growth. We support continuous multilateral trade liberalization within the WTO based on overall balance of rights, interests and obligations of all Members. We believe that Members are by now aware that countries that recently acceded to the WTO made very extensive commitments, often going far beyond those that had been made during the Uruguay Round. Ministers in Doha have recognized the significance of these commitments in paragraph 9 of the Doha Declaration.

The agricultural sector represents the core role in our national economy. It constitutes 35 per cent of Moldova's GDP or less than US\$450 per capita and 60 per cent of the population is involved or connected with the agricultural sector. Moreover, almost 90 per cent of the population is receiving less than US\$1 per day. Despite these facts, Moldova undertook excessive commitments in its accession to the WTO.

In these circumstances it is very difficult to envisage a situation where we should make additional significant commitments in such a short period of time after our accession to the WTO and from an incompatibly low level of tariffs, where overall simple average represents 18 per cent,

comparing to the majority of other WTO Members. Those substantive reductions should be considered as significant contribution to the multilateral trading system and be recognized by the WTO Members as a credit in these ongoing negotiations. Because of such comprehensive commitments, recently acceded Members, including Moldova, are faced with huge pressure from their industries which are facing a restructuring process.

This situation will definitely cause huge social consequences which will impede the reform process and the functioning of the agricultural sector. We are expressing our strong expectations that proposals and concerns made by recently acceded Members would be adequately and effectively addressed in the ongoing negotiations under the Doha Development Agenda.

In the meantime, Moldova has bound all its tariffs and thus lacks flexibility to adjust its tariffs. Certain sensitive products would not sustain further reduction in this Round since the bound levels are very low. Further tariff reduction and even higher import pressure that would ensue will increase the unemployment and adversely affect social stability and people's livelihood. With these factors, we believe and expect that an appropriate form of flexibilities will be put in place to accommodate these concerns on non-agricultural market access.

Resolution of such concerns in the Doha Development Agenda would help recently acceded countries better honour their commitments and strengthen their confidence in the multilateral trading system.

Moreover, Moldova is supporting discussions and negotiations with respect to the Singapore Issues (Trade and Investment, Trade and Competition Policy, Transparency on Government Procurement and Trade Facilitation). We stand for preserving and development of special and differential treatment for developing countries.

One element of the further negotiation to which Moldova attaches special importance is the protection for geographical indications for wine and spirits. Considering the mandate stipulated in the Doha Declaration, Moldova considers that GI's protection should not be extended to other products. In our view more work should be done in this area in order to create a legal binding system on GI's for wine and spirits.

We welcome the accession of Nepal and Cambodia to the WTO at this Ministerial Conference. Our congratulations also go to the Republic of Macedonia and Armenia. We trust that the negotiations on the applications still outstanding, including our major trading partners like Russia and Ukraine, will be brought to a successful end as soon as possible.

In conclusion, as a general approach, I would like to note that Moldova expects that the WTO Members will reconsider the significant level of liberalization made by recently acceded countries to the WTO and the proposals and concerns of this group will be incorporated in the final version of modalities.

The Moldovan delegation will do its utmost to contribute in attaining this objective.
