

## Commission reacts to Chairs texts at the 27<sup>th</sup> WTO Trade Negotiating Committee

### Speech by EU Ambassador to WTO Eckart Guth

Geneva, 26 July 2007

Mr. Chairman,

We are now at a crucial moment of our work. Over the coming weeks we must seek to build an agreement on modalities. In both agriculture and NAMA (non agricultural market access) we have been presented with papers that take this process forward. Whilst both papers raise serious concerns for the EU – as for others - we are prepared to work with them, together with the chairs, to try to bridge the admittedly substantial gaps that remain. The EU remains totally committed to concluding this round because it remains the best possible way to improve trade and market access, strengthen multilateral rules, and help reach the millennium development goals. We are committed to work with all partners and to return after the summer break to try to conclude the negotiations. We have carefully listened to the concerns expressed by others, in particular the developing countries, which rightly emphasised that this is a development Round.

Chairman let me thank you and the Chairs of the negotiating groups for their reports. Having heard the reports from all the chairs let me make some brief comments.

On **agriculture**, we have in this week's discussions indicated both several areas of real concern, but also our commitment to work to bring the negotiations to a successful conclusion. The EU has shown substantial flexibilities compared to its initial position. However, in order to make real progress we have to see signs of movement on the part of some other partners compared to their well known initial position.

As regards **NAMA**, Don's text takes us collectively forward because he has proposed numbers and ranges, rather than simply recording the well known extreme positions. As others have done, we have explained the areas in which the text in our view fall short of our expectations and we indicated the improvements we will be seeking. Notwithstanding that, let me reassure all in the room that the EU remains fully committed to the process in NAMA and agriculture equally, and indeed across all areas of the Doha Round.

Chair, you recalled that this is a single undertaking. Therefore, we must make real progress and compromises in all areas of the negotiations. All of us will first of all make a read across between Agriculture + NAMA. Paragraph 24 of the Hong Kong declaration in fact invites us to do so. In terms of the negotiating process however, to be able to make this read across means that we will have to finalise at one time, simultaneously, the agriculture and NAMA modalities. For that reason we would have real concerns if there were any attempts to sequence the negotiations in such a way that results are sought first on agriculture before moving on to NAMA. We cannot envisage opening up a real gap in the two negotiations.

For that reason when we return in September we must allow Agriculture and NAMA to advance in a coherent manner, and together. Even, if, due to the density of the material in the Agriculture paper, discussions may have to start with Agriculture, work on NAMA must also start without delay.

Chair, I would like briefly to comment on the treatment of issues other than agriculture and NAMA, and the role we would wish to see you and the Chairs take to ensure these subjects move ahead properly.

The EU subscribed to the decision in Hong Kong to front load agriculture and NAMA. We did so being fully aware of the political reality – namely that a deal on agriculture and NAMA modalities is the gateway to a final deal across the board.

However, issues like Services - the third pillar of the market access agenda - Rules, Trade Facilitation, Geographical Indications (GIs), Special and Differential Treatment, and Trade and Environment are equally key components of the agenda, for us and for others. We appreciate your information that Rufus Yerxa is ready to pursue the discussions on GIs. All these issues are of fundamental economic and systemic importance and we have all agreed that they form part and parcel of the single undertaking and the final deal. For example, on Services, the modalities deal needs to contain clear language as to the level of ambition of the final deal – which should be comparable to that of Agriculture and NAMA. Here a multilateral document has to be developed and adopted in parallel to agriculture and NAMA modalities.

On development, Chairman, we need to see real progress on all aspects of the developments agenda. This round has to make a real difference for developing countries, which means that development must be a priority in all areas of negotiation. Be it better market access for developing countries, expanded South-South trade, stronger rules that foster development, or Special and Differential Treatment, notably for the poorest.

Chair, I hope it will be clear from my remarks that the EU will only be able to assess the overall balance of the final DDA deal, and hence decide on its acceptability, in light of the results obtained on each and every issue of the negotiating agenda. I am sure it is the case for most delegations.

In this perspective, if a deal on modalities can be reached next autumn, it cannot be limited solely to setting the modalities in agriculture and NAMA, but must also contain all the necessary guidance - in terms of political commitments, in terms of procedures, and in several cases in terms of semi-final texts - to guarantee a final, successful phase of the negotiations in all areas.

I would therefore urge you Chair to take the necessary steps so that as soon as work resumes in Geneva early September, and in parallel with the work on agriculture and NAMA, the other negotiating groups on these issues start work in order to prepare the necessary guidance, principles, and texts for final negotiation.

Finally, I would like to join others in wishing Ambassador Gafoor of Singapore all the best in his new responsibilities.

Thank you Chairman.