

# WORLD TRADE ORGANIZATION

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**MINISTERIAL CONFERENCE**  
**Fourth Session**  
**Doha, 9 - 13 November 2001**

## **ADDRESS BY THE DIRECTOR-GENERAL, MR. MIKE MOORE AT THE INAUGURAL SESSION**

Your Highness, Ministers, Rubens Ricupero, Excellencies, Ladies and Gentlemen and Friends;

This Conference is the culmination of more than three years of discussions and negotiations about the future work and direction of this Organization. But more importantly, this Conference is the beginning of a new journey, which will also be long and arduous, but whose objectives we know; they are the further liberalization of trade, the creation of more jobs, the strengthening of the multilateral system and the extension of the full benefits of that system to countries now marginalized by poverty.

The issues facing Ministers this week are essentially the same as those we faced and failed to resolve at our conference in Seattle two years ago, but we are now vastly better prepared to deal with them. This is largely thanks to the extraordinary process of consultation and debate which has dominated the work of the WTO throughout the past two years. Thousands of hours have been spent in plenary meetings and in meetings of heads of delegations; every issue, and every national position, has been fully explored; the transparency and inclusiveness, which is to say the legitimacy, of the Geneva process has been universally acknowledged. Credit is due to our Chairman, Stuart Harbinson, to our team and to ambassadors and delegates in Geneva who have worked so hard, in an open process, marked by honour, integrity and good humour. Sir, some of our critics are correct. We learned lessons in Seattle which we applied in the Geneva process and which we must not forget over the next few days.

As a result the questions at stake are far better understood than they were two years ago, and the number of outstanding problems left for Ministers to resolve has been reduced to a manageable minimum. This is not to say that everything has been settled but for a few tough issues; we all know that nothing has been agreed at this stage, and that the documents sent to Ministers for their consideration are merely drafts. Deep differences remain. But they are clear and businesslike drafts, providing a good basis for work and for the decisions which you will be called upon to take at the end of the Conference.

How much do these decisions matter? What is really at stake here? For at least three reasons they matter enormously. First, there is still a vast amount to be done by way of trade liberalization. Every Member of this Organization has needs that are addressed in the programme of work and negotiation which is now submitted to you. Without agreement on such a programme they will continue to be frustrated, injustices will be frozen and great needs sidelined. Secondly, it is critically important for the multilateral trading system as a whole to demonstrate that effective, purposeful cooperation among 142 Members, and those many still to come, is perfectly possible. The rules of the system need to be reconsidered at intervals, because circumstances change, creating new challenges and new opportunities. Every one of the rules has been negotiated and adopted by consensus: that is the source of their legitimacy. By the same token, only negotiation and consensus can change them.

A mature and confident organization should welcome scrutiny – that is healthy, it's how you improve our service. And in the end, some years out, parliaments and congresses must ratify the final agreements.

Thirdly, the world economy needs the signal of confidence in open markets and commitment to international cooperation which agreement here will deliver. World trade grew by 12 per cent in 2000, but after one of the most severe decelerations in modern times, projections suggest growth of 1 or 2 per cent at best in 2001. Developing countries face a 10 per cent fall in demand for their exports. Revenues are falling and jobs are being shed in nations of both North and South. If we slide into a full scale recession all will suffer but it is certain that suffering will be greatest among the developing countries, especially the poorest and weakest among them, because they live on the margin. Whether that happens depends very much on the factor of confidence – among other things confidence that governments will not give way to the temptation of protectionism. The state of the world economy and the threat of protectionism demand a clear commitment by governments to sustain and strengthen the international trading system and resolve their differences by negotiation.

We know that trade and trade liberalization are not ends in themselves. Nor will trade – or economic growth itself - eradicate poverty. But we also know that protectionism will create poverty, as it always has, and will increase international tension and conflict, as it always has.

This meeting will set the seal on a major historic event, the accession of China and Chinese Taipei to the WTO. Trade is a great unifying force, and a force for peace, development and security. It is good to recognise that for all of us prosperity depends on the purchasing power, and therefore the prosperity, of others.

The multilateral trading system is probably the most successful effort in sustained international cooperation of the past century – a major public good, constructed over fifty years of devoted effort based on lessons learned from depression and war. It has delivered trade liberalization and peacekeeping through the law. The benefits of the system have not been equally shared: because the main benefit is not access to foreign markets but the stimulus of competition and the better allocation of resources it has benefited most those whose markets have been most open to trade. It is not true that developing countries have derived little benefit from the trading system, and specifically from the Uruguay Round. The share of developing countries in world trade and output has risen steadily since 1986, except for the crisis year of 1998, and it reached 30 per cent last year. In dollar terms, merchandise exports from developing countries rose 24 per cent last year - twice the world rate – largely as a result of the huge import demand of the United States. But it is true that this growth was largely concentrated in those developing countries which are heavily engaged in the export of manufactured goods. We know that two-thirds of the benefits of further cuts in industrial tariffs would go to developing countries. We also know that exporters of agricultural and primary products have done less well: that is another major reason why this Conference must not fail.

This Conference will initiate the next stage in the development of the trading system, whose focus must be the fuller integration of the developing world. Capacity problems, not trade barriers, are the major obstacles to growth in developing countries. Our main contribution to the building of capacity to produce goods and services competitively is made through the International Trade Centre, whose excellent work must be enhanced. But we have a responsibility, as WTO Members and as a Secretariat, to help build capacity in another sense – that is, the capacity to participate fully in the work of the WTO and to derive maximum benefit from it. The vast majority of the 50 new Members which have joined the Organization since the start of the Uruguay Round, and of those now negotiating their accession, are small developing countries with severe institutional and resource constraints. Trade rules offer only the gift of opportunity. That has to be backed up by an effective civil service infrastructure, to negotiate, implement and benefit from the rules. We have excellent cooperation with UNCTAD in our JITAP programme. The new Integrated Framework will be a

model of inter-agency cooperation and coherence, enabling us to multiply our modest resources by working with other agencies to assist developing countries on the ground.

The Secretariat has vastly increased the time and resources devoted to technical assistance and training, mainly as a result of generous voluntary donations from a few Members. But this a core function of the Organization, and one which will become more important as time passes. It ought not to depend so heavily on trust fund financing; apart from other considerations, long-term planning requires predictability in funding. I hope that Ministers at this Conference will give their endorsement in principle to an enlargement of the WTO regular budget which will enable us to plan efficiently for the long term, in cooperation with other international agencies and with donor countries, and so to ensure better programmes and a proper return for money. A formal request in this sense will be put to the Budget Committee next month: endorsement in principle here must be followed by a firm agreement in Geneva. The depth of this commitment must match the complexity of the outcome of this Conference.

Your Highness, on behalf of the Secretariat and of every WTO Member I wish to thank you and your government for your generosity in inviting us to meet in Doha, for the excellence of the arrangements which have been made and for your steadfastness through many difficulties. The WTO was born at Marrakesh, in another Arab country, but for too long the majority of Arabic countries have not been active players in the WTO system; this has been our loss and yours. We are now making a major effort to assist Arab countries to participate more actively, in the knowledge that this Conference will mobilize interest, political will and commitment throughout the Arab world.

Sir, may I now thank you, Minister Kamal, his dedicated team and all the citizens of Doha for your hospitality.

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