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MINISTER FOR TRADE

Press conference with World Trade Organization
Director-General, Pascal Lamy,
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E&OE

Subjects: Doha Round, IMF candidacy

CRAIG EMERSON: I'm Craig Emerson, the Australian Trade Minister. Each year in association with the OECD Ministerial meeting, Australia has convened a meeting of trade ministers, which of course is overwhelmingly attended by OECD members but also by other countries. The meeting held today was especially important, given where we are in respect of the Doha Development Round. We met for a considerable period of time to give fresh instructions to the negotiators in Geneva because, frankly, we had reached a position where there were unbridgeable gaps and it was necessary, if we were to keep the Doha round moving, for a fresh set of views to be conveyed to Pascal Lamy and the negotiators in Geneva.

We are very conscious that this group does not speak for all members of the World Trade Organisation, but considered that it had sufficient weight and numbers of members participating in the meeting to be able to at least give an indication of the sorts of directions that might best be pursued from this point onwards. I would like, therefore, to summarise the outcomes of the meeting and then ask the Director-General, Pascal Lamy, to elaborate and then, of course, we will be very happy to take any questions.

It is fair as the first and most important point to make the observation that there is a continuing commitment to the

completion of the Doha Development Round. That commitment, importantly, retains the notion of a 'single undertaking'. The reality is that all participants at the meeting today were willing to consider possible outcomes for the December ministerial meeting of WTO members and to affirm that the Round is alive and is capable of being completed. There is a high level of agreement that the December package must include development issues for the Least Developed Countries (LDCs). Other issues could be added to the December package and, desirably, would be added to any December package if those issues are mature and able to attract consensus. We don't want to spend the time between now and December just in the process of assessing possible outcomes. We want to achieve as much agreement as possible, but we are very conscious that time is now limited.

So the process of identifying candidates for inclusion in possible outcomes for December is going to be done by the Director-General and members in Geneva. We further indicated that any package decided on for December, if there is to be one, must be an achievable package, but it also must be a substantial package. In parallel with the development of a December package in coming months, discussion needs to begin now on how best to resolve all other matters. We don't want a situation that if we are able to reach agreement on a December package, the other matters that are more complex simply get deferred to the never-never. There needs to be a bridge established between any package that may be achievable in December and the issues that have led to the current impasse. Importantly, this means no lowering of aspirations for the Doha Round. We want a very successful outcome of the Doha Round, but this is an alternative way of seeking that successful outcome with high aspirations.

So that is essentially what was discussed. I will now hand over to Pascal Lamy to make some introductory remarks as well, and then we will be available to answer any questions.

PASCAL LAMY: Unsurprisingly, my own take on the discussions is quite similar to yours, Craig. I think we have had a very useful discussion, which we obviously needed, given the stalemate we are in regarding the conclusion of the Doha negotiations, and building on the discussions we had in Big Sky in Montana last week. It's a very useful input at ministerial level to the consultations and discussions I have had with the members for some weeks now, which are inputs for the discussion we will have in the Trade Negotiation Committee next Tuesday in Geneva with the membership at large.

What I've heard is what you have heard; i.e. nobody wants to drop the round or change the agenda. So, number one, maintain the round and the agenda as agreed. Maintain the 'single undertaking' - nobody suggested that this should be broken but, rather, to find a way to deliver on issues which are or can become mature in a short time, especially since we will have ministers in Geneva for the 8th Ministerial Conference in December.

What are these issues? I think the purpose of this meeting, and Craig made it clear from the beginning, was not to adopt a list of issues that would feed into Geneva. It was a contribution to the elaboration of the work program. What we heard was focussed on development and specifically, on issues related to LDC issues. And we know what these issues are - mostly duty-free, quota-free - and we will probably hear more on this next Tuesday in Geneva.

We also heard suggestions about more horizontal issues such as trade facilitation, which by the way is not unrelated to LDCs given the large amount of these countries that are land-locked. It is no secret that these countries have specific interests in parts of the trade facilitation negotiation. These things will feed into the Geneva process. I still have a number of consultations until Tuesday, including tomorrow morning quite early. But, overall, [today's meeting was] a useful input to clarify what the next steps are.

I have also re-told ministers, who don't always read the G20 check-up which we regularly publish in detail, that the latest delivery, the one we published on Tuesday, is not a very good one. We have reasons to be concerned about the growth of trade restrictive measures for the last six months. The reality is that protectionist pressures were reasonably contained during the crisis, but it looks as if we exit the crisis, there is a bit more of that on our radar picture and that's a matter of concern which I also raised with the Ministers present, as I did, by the way, the other day in the OECD.

JOURNALIST: You said there was a high degree of consensus that the focus should be on LDC issues. Can you tell us what those issues are? And secondly, it's my understanding that some countries are already eliminating certain issues, as in, 'we will consider this; won't consider that'. Can you tell us if that was expressed at the meeting today?

DR EMERSON: The sorts of issues that are of value to LDCs are the ones that Pascal just mentioned, which is duty-free, quota-free access to markets. And we would argue along with Pascal that trade facilitation is of great value to LDCs. They're examples. They're not meant to be exhaustive.

In respect of identifying issues that would be out of line to be in any December package, that was half the purpose of the meeting. Because if we met simply to instruct Pascal Lamy and the negotiators in Geneva to just try harder, given that there is an impasse, then no matter how hard they tried, there would be no success.

So an important purpose of this meeting was to recognise that there is an impasse and to identify, through Pascal and the negotiators in Geneva, those issues that if we are to get any outcome this year, need to be part of a second process and it's probably not a matter of genius to identify those, because they're the ones that have caused the roadblock at the moment. But I'm sure that Pascal will consider that.

MR LAMY: Of course, nobody is better-placed to signal LDC priorities than LDCs themselves. That was not a meeting with LDCs, who are not part of the OECD. I am sure we will hear in Geneva on Tuesday what the priority list of LDCs is. We know from the past, we know that there is the implementation of the duty-free, quota-free Hong Kong decision. There is the issue which LDCs have linked with that which is rules of origin for duty-free, quota-free. There is the specifically-developed service country development [inaudible] which has been negotiated for some time, and there is an issue that many LDCs care about, which is cotton.

Now on the second part of your question, there was no 'black ball' game. But it's pretty clear to everybody that putting on the list of outcomes for the end of the year industrial market access, agricultural market access or services market access would probably not work. So there are things which people know are kept for later and will not be part of whichever outcomes - deliverables - we may get by the end of this year. There are things which are pretty clearly identified already and there are maybe things in the middle which as we go might come and top up the sort of fast lane which we have started identifying.

JOURNALIST: To what extent do the outcomes today mirror those of the leaders at the G8 Summit in Deauville? Will they be endorsed by leaders?

MR LAMY: The G8 has its own channels of preparation. There was a discussion in the G8 about this. Let's all wait for the G8 communiqué to see what they discussed. We know that the G8 is between seven members on the developed side plus the non-member WTO [country] at this stage. It's again a useful contribution, but one of the many contribution to this Geneva [inaudible].

JOURNALIST: Judging from the discussion you had today, can we consider December as a sort of interim deadline, or is it just the expectation we may have some sort of package?

MR LAMY: What I heard from Ministers is not a deadline and it is not a package. It's a restating, a re-sequencing of the Doha agenda in trying to sort of crop fruits which are riper than others - and which are politically the most important in terms of development, starting of course with LDCs. I don't think we're in for a sort of package game; we're not going for a sort of deadline game. We know that we have a ministerial [meeting] at the end of December at which will we have to deal with Doha Round-related issues, past and future. And we will have to deal with non-Doha Round-related issues because, as you know, the WTO is much more than the Doha Round, although it is also about the Doha Round. So it's something which is in a way - and I think Craig handled it this way - it was an operational discussion, not a philosophical discussion. It was not redoing the world. It was, 'we've got a number of things that could be delivered - let's work on these'. We will see as time goes [on] what exactly Ministers could deliver in December. So it's a very pragmatic way of addressing the difficult situation that the round is in.

JOURNALIST: As the WTO chief, are you in favour of the new European [IMF] candidacy or do you support the call from emerging countries who want to access this position? As a Frenchman, can you support Christine Lagarde's candidacy?

MR LAMY: It's a question on which, as far as I know, the WTO Director-General has nothing to say. But no, the only thing I can say is that we in the WTO are accustomed to a selection process which was redone a few years ago as a consequence of a few bumps. Previous [IMF] selection processes, which I think have been reasonably transparent, have been driven by the notion that among the candidates, the members should choose the one

which they believe can do the job the best – which he/she doesn't always do, of course [laughs].

DR EMERSON: Thank you very much.