

Heads of Delegation meeting (Room W) on 8 July 2015

EU Statement of Ambassador Angelos Pangratis on behalf of the European Union

Thank you DG and thank you for your good efforts in the challenging moment we are in. For each one of us, it is not about being optimistic or pessimistic. I think we need to agree on two fundamental things that we can try to do usefully: first, face reality, to the best of our ability. Second, look for the best possible ways forward in order to reach Nairobi successfully. I have not heard anybody willing to abandon so we do face the challenge to do collectively the best out of the current obviously challenging situation.

In your presentation, DG you gave us some very strong points that call for us to face reality in a clear manner. At least let me mention two of those. First, I would share strongly your assessment on what an empty, light weight, so-called Work Programme- because it will not be a Work Programme as we have defined it- would do in terms of the chances of success that we have for Nairobi. It could indeed easily reduce the credibility of our process, it could become an obstacle to progress and I think it is something that we can all agree that we should avoid. On the other hand, you also said something that unfortunately we also share. We share your evaluation that there is indeed very little prospect that a clearly defined Work Programme will be within our reach by the end of the month.

This situation leaves the space between the two options above. You referred to the possibility of an oral report or some reinforced report of some kind. Barbados (ACP) referred to the usefulness of possible "interim points" and eventually more than one. Others referred to transparency, etc. We are open to all these options and we are glad to leave this to your good judgement. What I would suggest for certain is that we should not pretend that we do have a Work Programme if in fact we only reach something different from what we defined originally as the Work Programme. As I said before, we are open to any other option, any intermediate step, provided we do it in a way compatible with the need to face reality.

Of course, when we do face reality in that sense and we don't reach a clearly defined Work Programme by the end of July certainly this will be a huge disappointment for the EU and for many in this room. It will also be received with a strong scepticism particularly in view of the



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positive expectations that were created by the success of Bali and the hopes that this triggered for progress on the DDA.

We cannot certainly under any circumstances afford to be complacent. If we continue in September along the same line we will certainly be sleep-walking into a major failure in Nairobi which I don't think anybody desires in this room.

However, at the same time we should not over dramatize the situation. The Work Programme was never meant to be and end in itself, several colleagues said it, it was always meant to be a means to achieve the bigger objective which is finally to advance towards the conclusion of the DDA.

From that point of view we would also subscribe to your words, DG: you said that the Work Programme was meant to become a spring board and it should not become a barrier or an obstacle. I think we have collectively the duty to make clear that this is indeed the case. We would also subscribe to what you and others in the room said concerning the need for us to use the next couple of weeks to make as much progress as possible on substance in all possible areas of negotiation. I would also subscribe to what Marion and others said that indeed, some elements of progress were made and achieved in the negotiations. The fact that they might not be sufficient to take us safely into a detailed, clearly defined Work Programme does not mean that progress was not achieved – some significant progress was achieved in different ways and in different areas.

Allow me, to mention briefly a few points on the substance of the negotiations. Probably the most important overall aspect is that for us the discussion that we had throughout 2014 and 2015 on key issues as Domestic Support in agriculture and market access in industrial and agricultural products have confirmed that a significant recalibration is needed across all pillars of negotiations.

Now, recalibration has become a common word in our discussions and most Members seem to have reached a similar conclusion by now and have started to engage on this basis. There are still some however that maintain expectations of a level of ambition which does not seem realistic and doable. Making a long story short we continue to believe that the only way that we can advance on the DDA is if we seek recalibrated outcomes which satisfy everyone's interests, as defined in 2015, and not in 2001 or 2008.

Let me point out immediately that what I am saying overall does not mean that the development orientation of the Round should somehow be undermined. Our commitment to ensuring that developing countries in need and in particular LDCs benefit from the Round remains unhindered. There can be no better way to respond to these development needs than by advancing on the DDA in Nairobi during the first WTO Ministerial Conference held on African soil. Of course, we support the work on LDC issues in any possible way.

Consequently, my hope is that the summer break that separates us from the crunch time ahead at MC10 will be used by Members to intensively reflect on realistic landing zones and that we can intensify our efforts on this basis. In the end, while in this Round we will not make the spectacular policy changes we had all hoped for some years ago, we can still find solutions which push the multilateral system in the right direction which liberalise trade and creates the right conditions for economic growth and social development. It is also key that we build on the progress already made.

In Domestic Support this means ensuring that Trade distorting support is further limited for everyone. In Market Access for both agricultural and non-agricultural goods this means taking the next viable step

in the process of cutting tariffs. In Export Competition, this means eliminating export subsidies and limiting the use of other equivalent measures. At the same time, we need to ensure meaningful and calibrated outcomes on services and further engagement on the non-core issues so that they too, are technically ripe for agreement at the decisive moment.

Chair, the EU is certainly disappointed by the current situation and the limited time we have left before MC10 to find solutions allowing us to advance on the DDA. While these negotiations have already been underway for many years, it would be a grave and costly mistake to think that this process could go on if Nairobi is a failure and does not deliver a balanced deal. Thanks to the success of Bali two years ago, we have a unique opportunity to take an important step forward in MC 10. We should not miss this chance.

Thank you, Chair.