

# EU statement at the Trade Negotiations Committee meeting, 31/07/15

*Statement by Ambassador Angelos Pangratis*

Mr Chairman, we are faced today with a **dire situation** the significance of which does not seem to be shared by all.

- **Despite the positive spirit** that filled this organisation after MC9 and in particular after the resolution of last year's stalemate on the Trade Facilitation Agreement, we have not been able to advance as much as we would have liked on the DDA.
- In fact, in the **last few days**, not only have we been unable to advance, but the discussions held in the negotiating groups have actually shown that in certain cases Members have moved backwards. While we were slowly, for several months, moving away from old ideas that didn't work in the past and starting to consider promising ideas on a without prejudice basis, the most recent debate in the negotiating groups showed that some Members have hardened their views. We will need to find the right ways to recover quickly after the summer break the progress that we had achieved and move forward.
- Mr Chairman, for the **last few months** the EU has consistently engaged other WTO members in a process of exploring possible ideas and options that would allow us to bridge the gaps and to advance on the DDA. The numerous discussions we have had clearly showed that a change of approach was needed if we were to reach an acceptable compromise. Although this may be difficult for some to hear and even more difficult to accept, the lessons from this exercise have been clear: if any deal is to be reached, then the ambition has to be lower than in 2008, and this adjustment needs to take place across all negotiating areas. The discussion on domestic support and market access clearly showed what is and what isn't possible. Those who shut their eyes to this reality and demand high levels of ambition on the one hand, yet coupled with flexibility regarding their concessions on the other, are merely pushing this organisation toward another failure.
- While the situation is very difficult, in fact the **actual recipe** to advance is clear. What we need is:
  - to target a different level of ambition than in 2008;



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- to accept that no Member will give concessions requiring major reforms of its trade and agricultural policies;
  - to ensure proportionate contributions within and across all areas by all key WTO Members, in line with their roles in international trade, while of course bearing in mind the development orientation of this round.
- This recipe is the best hope to advance. Unfortunately, it has not yet been sufficiently accepted by all.
- Mr Chairman, I am deeply worried that aside from the differences we have on the individual areas of negotiations and on how to proceed, there are also more fundamental differences with regard to the interpretation of the **significance of MC10**.
- For some, including the EU, the upcoming Ministerial Conference in Nairobi is in fact **the last stop** to have a meaningful and full DDA outcome. At the same time, some others seem to consider that a partial outcome could be pursued in Nairobi and that the DDA process could then continue levitating unharmed for many more years. While some mini deliverables may have contributed to maintain a certain momentum in the past, this is no longer a valid option at this juncture. Already today, the negotiating function of this organisation is not delivering on the issues and at the pace expected by the world's traders. MC9 provided us all with a bit of breathing space, but if we do not use this chance to advance on the DDA, the attention will entirely move elsewhere.
- The EU therefore very much hopes that the upcoming **summer break** will be used as a period of deep reflection which will allow us to come back in September with the openness that is needed in order to advance. I would provide a few elements that could usefully form part of this reflection and which may help concentrate efforts when we reconvene.
- Firstly, while it is undisputable that **agriculture** is the central element of this round and will need to be resolved in order to get any feasible deal, all issues need to advance in parallel. Otherwise, in fact, all of the individual issues will remain blocked as all are somehow interlinked.
- Secondly, **domestic support** is clearly the ambition setter of what can be achieved in the DDA. Discussions have proven that the only realistic way forward is to focus on an outcome which respects Members' current policies, but also restrains trade-distorting support by introducing constraints and eliminating loopholes so as to encourage further reform. Focusing on OTDS may in fact be the only way to advance.
- Thirdly, **market access** needs to be adjusted to today's reality and needs to be considered horizontally in the sense that similar recalibration must occur both in AMA and NAMA. The basic elements of a market access outcome are already in place: they involve recalibration by a certain factor, simplification, and flexibility for all Members in implementation (i.e. an 'average tariff cut' approach). In this approach, there is no room for unrealistic expectations, such as on TRQs.
- Fourth, there is a willingness to advance toward a good outcome on **export competition**, but this can only take place as part of a broader DDA package. Export competition has to be part of any DDA deal; but, it cannot be the only element of an outcome.
- Finally, **on services**, the focus will have to be on market access and an element of domestic regulation. Members will have to be in a position to proceed with an exchange of offers before the Ministerial Conference of Nairobi, if we are to have any chance of success.

- Mr Chairman, there is very limited time left to salvage the situation and to prepare a successful MC10 and reach agreement on the DDA. . The EU will actively support you in your efforts to guide us to a compromise. This being said, it is clear that the responsibility for success or failure squarely lies with the Members of this organisation and that this is a unique chance that cannot come back or repeated and thus should not be missed.

Thank you.