

Opinion for the preparation of the Sixth WTO Ministerial Conference in Hong Kong

Summary of the opinion

- [a] The Council considers a well organised world trading system to be necessary, which requires regulation. The liberalisation of trade is, however, not an end in itself but an instrument that can contribute to sustainable development if implemented under the right conditions. These conditions include elements of good administration (a functioning rule of law, the absence of corruption, a stable legal and political framework, etc.) as well as attention for social, ecological and development aspects.

Agriculture

- [b] The FCSD thinks that a sustainable agricultural policy should be implemented globally, for which countries should depart from the principles of food security and non-trade concerns. Trade rules must not impede the development of such a policy. The Council considers it absolutely necessary to phase out trade distorting support and to avoid the abuse of permitted measures (boxes). The FCSD pleads to follow the July package on cotton and on the gradual abolition of direct and indirect export refunds ("take into account the need for some coherence with internal reform steps of Members"), with the addition of a credible cut-off date and detailed criteria. The resources released can be used to compensate for the social cost of the adjustments. On market access and protection, the FCSD believes that the qualitative and quantitative aspects need to be balanced, that the categories of special and vulnerable products must be well defined, that tariff measures must be applied to all countries and that a balance must be found between protective measures and market access. A certain degree of flexibility must remain possible for developing countries, taking into account their specific situation, capacity and needs.

Services

- [c] Services significantly contribute to the creation of well-being and jobs, and globally offer a large growth potential, particularly for developing countries. GATS allows countries to choose how they wish to strengthen their services sector. The Council notes that the liberalisation of trade in services requires a reasonable and fair regulation set in place through transparent and democratic procedures, which are subsequently easily accessible to everyone. Some Council Members also consider that a greater effort is needed to increase transparency within the GATS negotiations.

Council Members' opinions diverge on market access, public service within GATS and the general GATS regulation. Some members are particularly concerned about the possible negative effects of the liberalisation of services and would like to see a number of conditions imposed. Others call, on the one hand, for WTO members to agree during this negotiation to a greater number of and more extensive commitments on the opening of the services market, and on the other hand, for existing GATS rules to be optimized and supplemented where necessary.

Non Agricultural Market Access (NAMA)

- [d] Similarly, members have diverging concerns and expectations as far as NAMA is concerned, more specifically on the impact of liberalisation, tariff and non-tariff barriers, the sectoral component and flexibility for developing countries. All members request that particular attention be paid to the needs of the least developed countries and that, before the negotiations end, all the industrialised nations offer the least developed countries a tariff and quota free market access, just as the EU *Everything But Arms* initiative. The richest developing countries can also contribute to such measures.