

Final remarks by EU Trade Commissioner Peter Mandelson

Press Conference at the Geneva WTO Ministerial

Geneva, 29 July 2008

The failure to reach agreement is a profound disappointment for the EU and all our negotiating team, who have worked long and hard for success. We could not have stretched further for this Round, in every possible way. I am sure of that, and I want to pay tribute to those on both the trade and agriculture desks in the European Commission who have put so much into these negotiations over many days, months and years. They have my heartfelt gratitude.

I speak for all of us when I say: we worked for success, we had failure pushed on us.

This is a setback for the international trading system, greater than just the lost trading opportunities. We have missed the chance to seal the first global pact of a reshaped world order.

We would all have been winners from a Doha deal. Without one, we all lose.

The prosperity of all of us in the world depends on a strong, rules-based global trading system. A Doha deal would have given it a much-needed boost. We in Europe believe that the global trading system needs a new multilateral trade agreement, not just for the new trade that we need tomorrow, but for the openness we will need ten years from now. This need is not removed by today's failure, which is why we should not preclude the possibility of returning to the table at some point when people face up to the consequences of what has happened here.

We needed a Doha deal to lock in the openness we have benefited from over the last decade. We needed a Doha deal because the global economy is an uncertain place, and every bit of additional certainty, every cut and bound tariff, every strengthening of the rules and binding in of the big players is in the world's long-term interests.

For the developing world, especially for the poorest, the loss of this deal means

- the lost opportunity to secure farm subsidy reform in the developed world; that alone is a development tragedy;
- the loss of a new global extension of the principle of duty-free quota-free trade for the poorest;
- the loss of a trade facilitation agreement that would have brought disproportionate benefits to Sub-Saharan Africa;
- the loss of new south-south trade in the growing markets of the developing world.

These things are about real people, real lives. Real lost chances.

I realize that you will ask who is to blame for this failure. The answer of course is that it is a collective failure. The proximate cause of failure is a long-running sore in these negotiations:

agricultural market access in those developing countries that do not have large-scale, competitive farm sectors.

We had to meet two objectives in these negotiations:

- As well as reforming agricultural subsidies, we aimed to give genuine protection to farming communities where this was needed because of poverty or a lack of competitiveness;
- We aimed to do this in a way that did not result in a significant proportion of trade facing higher tariffs rather than lower.

I believe we could have done the first without risking the second. But compromise was needed to do so, and this eluded us.

When it came to it, an irresistible force met an immovable object, and compromise flew out of the window.

The EU may not have been part of this disagreement, although we did absolutely everything we could to reconcile the different views and find compromise.

We have never sought to be paid for reform of our farm subsidies in Europe by receiving market access in developing country farm markets. We have always accepted that the gains for us in this round would be found in new industrial and service sector trade in the developed and bigger, fast-growing developing countries. We accepted the principle of a development round, with its innate disadvantages for us in richer countries – because globalization has to be equitable or it will not be sustainable. That never made it easier for me to sell at home, but that was the basis on which we continued negotiating.

The EU has negotiated openly and in good faith. No package is perfect. And I do not hide the fact that there have been difficult issues. But the EU is united in its support for an ambitious Doha Round.

I would like to record my appreciation of the commitment shown by my fellow negotiators. In particular, I would like to pay an unqualified tribute to Pascal Lamy. I have never known anyone labour for so long, with such utter personal dedication, to such an important goal as he has done for the Doha Round.

We have a packed trade agenda in Brussels, and many challenges ahead. Now is the time to be looking to the future.