

# WORLD TRADE ORGANIZATION

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## CHILE

Statement by H.E. Mrs Maria Soledad Alvear  
Minister for Foreign Affairs

I should like to begin by thanking the Mexican authorities, through Minister Derbez, and the State of Quintana Roo for organizing this Fifth Ministerial Conference.

Since the Doha Ministerial Conference, Chile has pursued further its trade policy based on openness and transparency. Our single customs tariff has been reduced unilaterally to 6 per cent. We have concluded free trade agreements with the European Union, the United States, Korea and the EFTA countries. These are in addition to the agreements we already have with Mexico, virtually all the countries of South and Central America and Canada. As a result of the foregoing, the average tariff applied is close to 2 per cent and soon, 80 per cent of our trade will be free of tariffs.

Ours is not the only example of such trends. A growing number of economies are seeking to liberalize their trade swiftly and on the basis of sound disciplines, even in services and investment. In doing so, their preferred instrument has been agreements concluded outside the WTO, the reason being that negotiations in the WTO are slow and their ambition is not always set as high as the level that can be achieved in bilateral agreements. The delays in the present Doha Round are a case in point. If the problems at the root of those delays are not overcome at this Ministerial Conference, there will be even greater incentive to seek bilateral agreements.

This brings me to the origins of the Doha Round. Named the "development" round, its purpose is to enable the developing countries and the least-developed countries to be fully integrated in the multilateral trade system and, as a consequence, to receive the benefits the system generates. In order to succeed, the Round must clearly focus on the key issue: agriculture. To eliminate the paradox that currently exists whereby the tenets of economic theory are applied strictly to a certain type of product but not others, is the greatest contribution that the multilateral trade system can make to lifting millions of people out of poverty. This is widely acknowledged not only in the academic world but also by the governments of the countries that subsidize agriculture the most. Yet so far the rhetoric has not been accompanied by actions.

Fulfilling the Doha mandate in agriculture requires adjustments that involve social and economic costs in the short term. For that reason, the necessary flexibility must exist for those adjustments to be gradual and politically viable. To that end, we might consider the possibility of allowing longer deadlines for implementation than those traditionally granted in the GATT/WTO, particularly for the implementation of commitments requiring more complex adjustments. Time limits of more than a decade, perhaps.

Flexibility for the implementation of commitments must not imply lowering the level of ambition set at Doha. On the contrary, we must take advantage of the flexibility to raise our level of ambition.

Our main task is to eliminate all forms of subsidies on agricultural exports and substantially reduce domestic support in this sector which distort trade.

If these objectives are not achieved, it will be very difficult – perhaps impossible – to make headway in other areas of the negotiations, and even more difficult to broaden the single package agenda.

The time has come for the industrial countries to put an end to unfair competition, the counterpart of which is greater poverty in our countries in the developing world. We must transform the rhetoric on development that accompanied the launching of the Doha Round into real political will to solve our problems and give effect to what we agreed. No more, no less.