

Peter Mandelson

Head of Delegations meeting, 17 December, 1800

We are at a stage where many worry about saving the meeting. Reasonable concur. Share it, do everything reasonably can to secure it. But we must also – and primarily – concentrate on preserving and advancing the Round – to a successful and ambitious conclusion.

My assessment of the state of play is this.

The text that we have seen leaves us with deeply mixed feelings. We came to Hong Kong to improve the text. We came to Hong Kong to create a platform, a platform for an ambitious, global, trade-boosting agreement next year.

Are we getting there? In some respects perhaps. A bit of incremental progress here. A bit of tweaking there. But in my assessment we still face significant problems with both the low ambition, the lack of balance, and the content of the revised draft declaration. In agriculture, services and NAMA the draft creates problems for the European Community and we will need changes in order to live with the text.

Let me go into some of the specifics.

On **Agriculture**, we have some difficulties with what is currently on the table.

- First, on domestic support, we feel the text should recognise and require effective policy reform, rather than refer to the level of cuts in themselves. This is more in line with the whole purpose of the negotiation in this pillar.
- On export competition, the first bracket in the revised text is an absolute red line, as it falls, squarely, outside of my mandate. We are ready to engage in this area as in all the other areas of the talks, provided the package is right.
- The parallelism between different kinds of export support must be real and defined with the fullest degree of precision achievable.
- Last, on market access, we need clarity on what is meant by “commensurate” ambition in agriculture and NAMA.

On services,

- The lack of ambition of the services text concerns me. This is not a mandate that points to new market access opportunities.
- We are in particular disappointed to see a lowering of ambition as regards plurilateral negotiations and qualitative parameters.
- And cannot understand why of the three rules areas government procurement has been removed from the picture. This is not in the interests of developing countries. Where transparency, high value/lowest cost factors are very important. I would therefore like to see this text restored.

In NAMA:

- Our aim in HK was to make progress – a framework plus. I see no plus, just a different way of preserving the many unsatisfactory ambiguities in the framework.
- The best that can be said of this text at this stage is that it preserves options for Members. We should continue to discuss and negotiate this.

On Development

- There is some progress on duty and quota free, but we are still not there either on full product coverage or on a definite time to achieve this.
- On the other SDT proposals, and aid for trade, we have been advocating for some time now a good outcome this week.

Rules, GIs, Trade and Environment

- On Trade and Environment a text has been agreed with India & others at working level which is yet to be reflected in the draft declaration. So there has been at least a bit of progress here, but it needs to go into the text.
- On rules and trade facilitation, I'm happy with the text as it stands, and it should not be reopened – that would be changing the overall balance of what will come out of this week.

GI's

All we see on this important issue for Europe is treading water or backtracking. If we are to arrive at a result in agriculture, this must be part of the package. This is indispensable to the EU.

Post Hong Kong

Finally, on the post Hong Kong process. In order to maintain ambition, and keep the single undertaking together, we need at this conference to set out the roadmap for the next and decisive negotiating phase. That means we have to establish common timelines across both market access and rules so that modalities are really agreed together at the right point in 2006.

In conclusion Chairman, for the final twenty four hours of our work, the Community stands ready to continue doing what I promised we would do at the outset: to engage with others if they are equally ready to engage with us.

There are problems as I have described; but with goodwill they are manageable. I intend to engage this evening to make the meeting a success.