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LATVIA

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Allow me on behalf of the Government of the Republic of Latvia to express my pleasure for having this opportunity to address the Fifth Ministerial Conference of the WTO held in Cancún, Mexico.

First of all, I would like to welcome the excellent work of the WTO Secretariat and the Mexican authorities to arrange the Fifth Ministerial Conference. We welcome the tremendous efforts of the Chairman of the General Council, the Director-General and the Members of the WTO in striving to prepare a draft of the Ministerial Declaration, which would serve the interest of every Member of this Organization.

There has been a lot of good work done both at political and technical level during the course of every day's negotiations since the previous Ministerial in Doha. This resulted in a document prepared by the Chairman of the General Council, which can be taken as a basis, yet not appropriately balanced, for our political debate here; the debate that is crucial and requires dedication, commitment and courage from all delegations. Latvia wishes the Doha Development Agenda to succeed thus approaching the objectives set out in the Agreement establishing the World Trade Organization.

It is critically important to follow these objectives and at the same time addressing the current problem we are facing now - still unsatisfactory prospects for growth of the world economy. Given the high public profile of the matters discussed in this Conference, we should not forget the importance of the outcome of this debate for the sustainability of the world's economy and reliability of the WTO.

I would like to note with satisfaction that in critical moments the Organization can deliver results, like in finding the solution set out in the **Declaration on the TRIPS Agreement and Public Health**. The Decision taken by the General Council on 30 August allows balancing the humanitarian needs of the poorest countries and simultaneously maintains the grounds for advancement of R&D in the pharmaceutical sector.

Let me briefly concentrate on the issues on which I expect Cancún needs to deliver decisions.

Agriculture seems to be the most critical issue. Generally speaking, WTO rules in this field are relatively new and in most cases untested. Time from the commencement of the system is not long enough, to segregate the impact of the Agreement on Agriculture from global influences of other nature, like global economical recessions, technological development or consumer preference. Therefore, we must approach the future commitments with appropriate care for social groups affected.

We strongly support the initiative introduced in the joint paper by the EU and US. This is not only the concept of a framework itself, but also a substantial step towards formulating the scope of the

potential outcome. It is regrettable to observe some signs of destructive activities antagonizing the Members and suggesting a two-tier trading system by sharpening North-South division. This can effectively prevent developing countries to fully benefit from the reform of the multilateral trade system.

We highly evaluate conditions of equal competition through **market access on non-agricultural products**. In our opinion this is achievable through harmonization of tariff levels among all Members and sectors. Ambitions should be realized with a single, simple line-by-line non-linear formula topped with bindings in all lines. Exceptions, if needed, could be applied in a form of longer implementation periods. The negotiations should be continued on non-tariff barriers with a view of elimination of export duties, which prevent trade and hide extra financial backing for local industries.

We agree to the text proposed by the Chairman of the General Council on the need to "reaffirm that the **service** negotiations shall aim to achieve progressively higher levels of liberalization with no *a priori* exclusion of any service sector or mode of supply".

We regret that the Members, through negotiations in Geneva, could not find consensus even on a single issue within **environmental** negotiations. Latvia would like to see deeper evaluation of inter-linkages between environmental concerns and international trade rules. This could be the best way for WTO to contributing to tackle global environmental problems.

This Conference has to establish arrangements on so called "**Singapore**" Issues so, that negotiations can be launched as prescribed in the Doha Declaration simultaneously for all four issues.

We have great sympathies to the countries providing financing for **technical cooperation** and capacity-building programmes. Latvia itself is gradually approaching the status of a donor country. We believe that our experience of rapid transition to the market economy, major restructuring, liberalization and integration into the global trading system is a viable asset to be handed over to other countries striving to achieve the same goals.

We highly value the efforts made by the Director-General to reinforce the WTO's partnership with the IMF and the World Bank on achieving greater **coherence** in addressing the challenges faced by developing countries with their integration in the world economy.

Following the goals set out in the Doha Ministerial Declaration, the Parliament of Latvia at the end of 2001 has adopted a law granting duty-free and quota-free market access for products originating from 49 of the world's least-developed countries. We will welcome any additional commitments taken by the Members of the WTO to widen the market access for goods originating in LDCs.

Accessions of new Members to the WTO once again underline the Organization's role and importance of the multilateral trading system. On behalf of the Latvian Government, I would like to congratulate Cambodia and Nepal, which have completed their accession procedures and are now invited to join the WTO.

We would like to support efforts of other countries in the accession process and expect that these accessions will progress swiftly in order to achieve full membership before the next Ministerial Session. In particular, Latvia welcomes the efforts of Russia and Ukraine to become Members of this Organization, as these accessions would facilitate economic prosperity and stability of the region.

Finally, it is our collective responsibility to find common understandings during this Conference that will drive this process to substantial liberalization. This is crucial for the growth of the world economy and development of our countries.
