

**World Trade Organization
6th Ministerial Conference
Hong Kong, 13-18 December 2005**

Statement by H.E. Mr. Geir H. Haarde, Minister for Foreign
Affairs of Iceland, Head of Delegation

Mr. Chairman, fellow ministers, distinguished delegates,

Trade is a cornerstone of development. We are all aware of recent projections by the World Bank and the significant development gains a successful conclusion to our work could bring about. Millions of people could be lifted out of poverty. My own country has witnessed first-hand the positive economic effects of trade. In the course of a few decades, the Icelandic population has come from poverty to enjoy one of the highest living standards in the world. Trade liberalisation has been crucial in this development. We not only believe, we know that trade works.

We therefore welcome the new Members acceding at this time, and we support the timely accession of Russia and Ukraine to the Organization. They are large contributors to world trade and we hope to see them as Members in the very near future.

Mr. Chairman.

Iceland remains strongly committed to the Doha Development Agenda and a fair and equitable outcome that will benefit the entire membership. I have recently approved increased contributions of Iceland to the Doha Development Assistance Fund for the next three years. We also plan to further enhance our long-term support for trade-related initiatives in developing countries.

While we all expected to have progressed farther by now, we should by no means underestimate what has already been accomplished. With hard work and a common purpose we can still reach a conclusion by the end of next year.

In order to do so we have to proceed in parallel across all areas of negotiation and I urge Members to engage constructively on all fronts to move the process forward. Market access for non-agricultural goods is crucial for developing and developed countries alike and the same goes for the burgeoning services sector. Without ambitious results in these areas, we cannot reach a balanced outcome of these negotiations. Another critical issue is the elimination of trade-distorting fisheries subsidies, which is a necessary measure in support of sustainable development.

Mr. Chairman.

I would at this juncture wish to recall the various contributions of the G10 to the agriculture negotiations, to which we uniformly adhere. For Iceland, the key words in the agriculture negotiations continue to be flexibility, adaptation, proportionality and respect for the different needs of different types of agriculture. Non-trade concerns and differences in tariff structures must be taken into account and our opposition to the very notion of tariff capping remains firm. Different sensitivities require flexibility to address the varying situations prevailing among the membership.

As concerns market access, Iceland already imports more than half of its domestic food consumption. Most of these products enter our market without duty or quantitative restrictions, including those products of the greatest significance to Least Developed Countries. The level of tariff protection afforded to the relatively limited number of domestically produced goods is simply a reflection of economic realities. In our view, flexibility must be integral to the selection and treatment of sensitive products and in a more general sense the tariff reduction formula itself. Only by proceeding in such a manner can we guarantee that the benefits of trade reform are universally shared

between producers and consumers in both developing and developed countries.

As concerns export subsidies, Iceland abolished all such programmes in the early 1990s. This is an important concession that cannot be taken for granted without undermining the goodwill of Members who have proceeded with reforms ahead of legal obligations.

In the domestic support pillar, Iceland has been prepared to substantially reduce trade-distorting domestic support provided there is an acceptable overall balance of commitments.

Substantial reductions will require significant adjustments to our agricultural policies. In carving out the final details, care must be taken not to undermine reforms that have already been carried out.

Mr. Chairman.

The Doha Development Agenda is now at a turning point. A positive result is clearly within reach. We can, and should, conclude the negotiations before the end of next year. In order to do so, all Members have to proceed in parallel on all fronts. It is distinctly unhelpful to adhere to demands that are clearly beyond the political reach of individual Members. This is a

negotiation, the results of which require joint political ownership. We owe it to the people of our countries, developed and developing alike, to finish our work expeditiously and in a manner which ensures that the benefits of trade liberalization are harvested by all.

In conclusion, Mr. Chairman, I wish to thank the people and Government of Hong Kong for their excellent hospitality. The people of Hong Kong are living testimony to the benefits of Free Trade.