

As delivered

**G-20 STATEMENT TO THE TNC
01.05.06**

The April 30 deadline for modalities was missed. We have not been able to fulfill our Ministers instructions and the expectations of the DDA are postponed again. This cannot be taken lightly.

However, for the G-20, this situation is not a source of discouragement. Quite the contrary, our Group is still determined to firmly engage in a concentrated collective effort to achieve full modalities well before the summer.

Concerning the negotiating process, we are comfortable with the different formats of meetings that have been undertaken so far. Chairman Falconer has been very helpful by conducting the negotiating process in a transparent and inclusive way, and respecting the bottom up approach that confers legitimacy to the process.

He can count on the G-20 to continue working constructively on all issues and to revisit its own proposals which are a sound basis for agreement as well as other Members' proposals as may be necessary to contribute toward securing progress and acceptable convergence.

Mr. Chairman,

The G20 would like to reaffirm its commitment to an outcome for the Round compatible with its main objective - development. This Round will be successful only if it results in benefits for all Members, in a fair and equitable manner.

As many developing countries including LDCs enjoy more, and in many cases, their only comparative advantage, in agriculture, substantial reductions in distortions in Agriculture trade and substantial improvement in market access - while

recognizing rural development and livelihood and food security needs of developing countries – are essential elements for the realization of the development mandate of this Round and the achievement of an ambitious and balanced outcome. It is for this very reason that agriculture is the engine of the Round.

Only through an ambitious outcome can we deliver on the development objectives of the Round. It is essential that the main subsidizers improve their proposals in domestic support. Their current offers in market access do not provide adequate the basis for achieving the results that we are all striving for. We appeal to the developed countries to make such a decision promptly.

On domestic support, reductions must lead to effective and substantial cuts in all forms and in the overall levels of trade-distorting domestic support, – which must be complemented by disciplines on the Blue Box to ensure that such payments are truly less trade distorting than AMS, and on the Green Box to ensure that the fundamental criteria of minimal trade-distortion are met.

On the market access pillar, the tariff reduction formula remains the main element to achieve substantial improvements in market access. The number and treatment of sensitive products must allow for substantial improvement in market access for all products. Discussions so far have indicated Delegations' disposition to look for a hybrid approach that could provide a solution to the treatment of sensitive products. G20 is prepared to discuss these proposals.

We would like to reiterate that special and differential treatment remains an integral part of all the three pillars of the agriculture negotiation. On the market access pillar we recall the G-20 proposal which is premised upon developing country commitments being less than 2/3rd of the cut to be undertaken by developed countries. We also welcome the G-33 contribution on Special Products and SSM.

The situation of large rural poor populations in developing countries must be a central concern in the discussion of market access modalities, based on the criteria of food, livelihood security and rural development needs.

In export competition, as we agreed that all forms of export subsidies will be eliminated by 2013 with a substantial part by the end of the first half of the implementation period, the next step is to work on their elimination as scheduled and on disciplines which can meet the requirement of parallelism.

The G-20 remains committed to an outcome from the Round that includes substantial resources for aid for trade, free market access for LDCs, in accordance with the HK Declaration, effective action on commodities and tropical products of particular importance for developing countries, and specific flexibility provisions for Recently Acceded Members. Concerns of small, vulnerable economies must also be effectively addressed. Any outcome in agriculture must include a substantial result in cotton, in line with the aspirations of the African exporting countries.

The G-20 takes this opportunity to reaffirm its commitment to an ambitious, pro development outcome of the negotiations with a view to the attainment of the objectives of the Doha Round within the shortest possible timeframe.