

fensive or highest common offensive denominator.

More fundamentally, the whole format of a Ministerial Conference presented with a large volume of highly technical but intrinsically politically burning questions of major importance for most participants cannot be expected to resolve such issues with the present type of organisation of the WTO.

The absence of any kind of steering committee, and the sudden decision to call an end to the work of the Conference when several important issues were waiting to be discussed and resolved, may also have played a role.

II. Way Forward

Simply returning to the negotiating table as if nothing had happened will not produce a significantly different result: it cannot just be business as usual in the coming months. The failure of the Cancun ministerial was the result in part of basic differences between Members regarding the future role and scope of WTO work and these differences cannot disappear overnight. An in depth reappraisal of the situation is therefore needed.

The successful resumption of negotiations requires flexibility on *all* sides. The EU was the only delegation in Cancun that showed flexibility on virtually all issues. We hope that others will now start moving away from entrenched positions.

The EU considers it necessary therefore for *all* Members to reflect on what kind of DDA they want to pursue. From the EU's perspective, its own evaluation is now being carried out and will address the following questions, which our WTO partners also need to answer:

- What are the prospects for the resumption of negotiations, and if so within what timeframe and with which scope? It is highly unlikely that the negotiations can now end on schedule. Regarding the point of departure for future work in Geneva, it is not clear which texts or proposals presented before 14 September, if any, might constitute a generally acceptable basis for negotiations. What is the view of others? And where are they ready to

show willingness to compromise on the key issues? There has been precious little indication of that.

- What is the scope in future for negotiating new multilateral rules, in particular covering the so called Singapore issues? Judging from Cancun, but also contrary to the Doha Declaration, there is no consensus to pursue multilateral negotiations on these issues. This needs to be verified with all Members, not only those who participated in restricted discussions in Cancun. We all need to reflect also on the systemic and political implications, in terms of the overall balance of the DDA, of removing issues from the single undertaking. The WTO Membership as a whole has to reflect on this.
- The EU maintains a strong preference for multilateral approaches and solutions, but wants to ascertain the degree of interest of other Members in multilateral liberalisation and rule making. In any event, the EU must now reassess its bilateral and regional trade agenda, to see whether greater priority and emphasis should now be given to this. And given the defensive posture at Cancun of many developing countries due to their reliance on preferential market access, we will at the same time look at the question of preferential agreements in view of their impact on the multilateral agenda.
- Finally, the WTO as an organisation seems increasingly incapable of facilitating consensus-building and taking decisions. An in depth assessment is needed of the prospects for changing its modus operandi. In reply to those Members who have said that the question of WTO reform should not become a distraction from negotiations on substance, the EU does not disagree but would add that, to the extent that the failure at Cancun can be attributed to institutional weaknesses, these clearly need to be remedied if substantive negotiations are to be any more successful in future.

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