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Statement by HE Mr Kristinn F. Arnason Permanent Representative of Iceland in Geneva

At the outset, let me express our appreciation to the Government of Switzerland and the City of Geneva for hosting this Seventh Session of the WTO Ministerial Conference. We would also like to thank the Chairman of the General Council, the Director-General, and all his staff at the WTO for their hard work in preparing this meeting.

This Ministerial Conference is being held against the backdrop of one of the worst economic crises in modern history. Many WTO Members have been severely hit by this crisis and are still battling the consequences. This includes my country, Iceland, which experienced the collapse of almost its entire financial system one year ago.

In the last few months the Icelandic Government has been working with quiet determination to introduce the necessary reforms which will enable Iceland to recover. In fact, Iceland has already made substantial progress as reflected in the IMF's first review of the economic stabilization programme from last October. Today, we are seeing some positive signs of economic recovery in Europe and around the world, which is indeed good news for all of us. We all need our trading partners in good economic health to recover more quickly.

Last July marked an historic occasion when Iceland applied for membership of the European Union. Iceland shares with Europe a common heritage and common history and is an active and long-standing partner in the wider European integration process as a member of EU's internal market and Schengen. We are optimistic that accession talks can commence in early 2010, giving the Icelandic people the right to vote on an EU Accession Treaty in 2012 or 2013.

Next year will be crucial in the history of the WTO and the multilateral trading system. Further lack of substantial progress in the Doha Round can result in loss of momentum. This could lead to increased protectionism and decreased respect for broad-based international trade rules. It would be an alarming prospect, keeping in mind that one of the reasons for the economic crisis was the general lack of respect for rules.

Iceland remains strongly committed to a successful and swift conclusion of the Round in all areas of the single undertaking. Iceland remains committed to a strong multilateral trading system and to open markets, as two important tools to help overcome the world economic crisis.

Furthermore, Iceland is willing to continue to work on the basis of the December 2008 modalities text. As other G-10 countries we appreciate the progress made in the agriculture negotiations but express our concern about the lack of substantial progress in many of the other areas.

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In this context, we would like to direct your attention to a recent policy research working paper of the World Bank, titled "Conclude Doha. It matters!" The conclusions of the paper are clear: completing the Doha Round will help the global economy to recover from the recession and reduce the probability of protectionism. The paper also touches upon the subject of subsidies and overfishing and points out that benefits are to be gained from disciplining the use of subsidies that encourage overfishing.

Iceland welcomes the World Bank's paper and agrees that it should be a top priority to conclude the Doha Round.

Lastly, our most important mission is to preserve and strengthen the multilateral trading system. We can all benefit, to a certain extent, from bilateral agreements, but they can never replace multilateral rules. We should also not forget that the Doha Round is dedicated to development and further delays in concluding the Round are likely to hit hardest the vulnerable countries. We should remember that liberalised trade is the cornerstone of development.
