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G-20 STATEMENT  
GENERAL COUNCIL  
7 February 2007

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Mr. Chairman,

1. There have been many expressions of political support for the Round, including from the informal ministerial meeting recently held in Davos. The G-20 welcomes these developments, which should provide a new impetus for the negotiations.

2. The G-20 also welcomes the announcement by the Director General of the full resumption of multilateral negotiations in Geneva. Bilateral and plurilateral contacts are important, but any outcome must be the product of a multilateral process that is inclusive and transparent. Small group discussions are useful to explore alternatives and search for solutions, but the results must be general, comprehensive and non-discriminatory. They must be embodied in full modalities to be adopted by a bottom-up approach. They must be consistent with the MFN principle.

3. We still need to see movements by the major players in domestic support and market access. They must show in deeds their readiness to strive for compromises, translating into new negotiating positions the political will in support of the successful conclusion of the Round. And these compromises must fully deliver on the Doha commitments as complemented by the July Framework and by the Hong Kong Ministerial Declaration.

4. For its part, the G-20 has intensified its internal consultations to prepare for the resumption of negotiations in Geneva. There is growing support for the view that the G-20 positions on all the three pillars constitute the center of gravity in the agricultural negotiations and that there should be a convergence toward them. The G-20 proposals combine ambition and development concerns and are based on the premise that agricultural policy reform will pave the way for improved market access now and in the future.

5. An essential element for the success of this Round is the agreement on agricultural policy reform through the reduction in applied levels of domestic support, coupled with disciplines by product to avoid concentration and circumvention. In this context, the recent guidelines for agricultural reform presented by the US Administration do not seem to go as far as needed to

accomplish both objectives. The G-20 is still assessing the impact of the proposed changes. Our preliminary view, however, is that although there are positive aspects in the proposal - including the fact that it throws some more light on the US position -, the volume of resources still available for trade distorting programs is not consistent with the need for effective cuts. The changes to be introduced in the current programs do not seem to carry the reform far enough. However, we understand that the outcome of the debate in the US Congress on the Farm Bill will not prevent an ambitious outcome in the domestic support pillar, for the results of the negotiations will lead to changes in the next Farm Bill.

6. The G-20 maintains its proposals on the table and remains committed to pursuing a result in domestic support that will lead to real cuts and effective disciplines. This, together with the expeditious elimination of export subsidies, will create the necessary conditions for an ambitious result in market access, bearing in mind the need to address the differences between developed and developing countries through S&D provisions.

7. We encourage the EC and the G10 to do their part by showing the appropriate flexibility on issues such as the

formula cuts, sensitive products, SSG and all the other elements in the market access pillar.

8. To conclude, Mr. Chairman, the G-20 is committed to achieving a "breakthrough" in the shortest possible time. The breakthrough will need to have a sufficient level of ambition and detail to pave the way for an agreement on full modalities. Whilst we agree that it is not useful to set artificial deadlines, we must be aware that concluding modalities before the summer break is indispensable to conclude the Round by the end of this year.