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Statement by the Honourable Claudio Scajola Minister for Productive Activities

I would like to thank the authorities and the people of Hong Kong, China for their kind and warm hospitality, as well as their impeccable organization of this Conference.

We are all here today because we all agree on how much trade is essential to the prosperity and well-being of mankind.

All countries, whatever their level of development, are aware that their economic growth depends on trade being increasingly free and global, and supported by shared rules.

The opportunities presented by opening international markets are evident, and developing economies stand to benefit most of all.

But international trade must be also facilitated by the elimination of obstacles and barriers. In this connection, in the case of Italy, whose economy rests on her small and medium-sized companies, the need for a predictable and liberal trade regime is even more important, both in goods and in services.

Italy is simultaneously one of the world's great exporters, and one of the world's great importers. We depend therefore upon the openness of international markets, as open ideally as our own markets are open to others.

Foreign entrepreneurs find in Europe *authentic* market access, with predictable and transparent rules, and low industrial tariffs. As regards developing countries' exporters, they all substantially benefit in addition from the EU's Generalized Preferences treatment; but even better, if they are based in one of the 50 LDCs, they can enjoy "tariff-free, quota free" treatment for all their exports to Europe, except weapons.

We would welcome all industrialized countries to follow suit, and I strongly hope that here in Hong Kong they will.

To make progress in a negotiation, flexibility is also needed, and some sacrifices may be called for.

The EU has already made many sacrifices.

- It has dropped 3 out of 4 of the Singapore issues;
- it has agreed to eradicate subsidies to agricultural exports, on condition that others do the same for all measures with equivalent effect;
- it has implemented in 2003 a drastic agricultural reform, resulting in a reduction of domestic subsidies, eliminating distortion and decoupling from production;
- it has presented an offer for market access, substantial and credible, quite above what we have already implemented after the Uruguay Round.

We are now waiting for others to do their share. We ask in particular that our quality products enjoy authentic market access and real protection against counterfeiting and piracy.

We are committed to an ambitious agreement, one that may provide a strong impulsion to the world economy, and particularly for those countries where emerging from poverty remains an elusive task.

To these countries in particular, Europe has offered a concrete and pragmatic development package. This package is within our reach, and it could, indeed it should, be adopted immediately.

We want results everywhere, including on issues that seem to receive less attention this week, such as services, an area of the greatest importance to us. In any event, there must be a substantial parallelism between all pillars of this negotiation.

In particular, simultaneously to any further concessions that we might make in agriculture, there must be concessions on industrial issues from the other partners.

We are ambitious in the NAMA negotiations, that must not be allowed to lag behind, or on the specific topic of Geographical Indications, and I would like here to voice my appreciation to the important countries that have recently adopted provisions protecting these important intellectual property rights, and that fight successfully commerce in counterfeit goods.

Finally, let me say a word on the Rules.

Fair trade cannot exist without a clear framework of shared rules, providing everyone with adequate guarantees. This Round provides an opportunity to agree on rules for a predictable and transparent trade environment.

Italy invites all to show a shared commitment to the implementation of internationally recognized environmental and labour standards.

These values are explicitly referred to in the WTO Treaty.

That's why we believe that globalization must above all imply respect for individuals and for future generations. Trade can really be a source of growth for all when it is firmly anchored on values and provides for the development of all nations.
