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## CUBA

### Statement by HE Mr Rodrigo Malmierca Díaz Minister of Foreign Trade and Foreign Investment

Cuban leader Fidel Castro, in the 50<sup>th</sup> Anniversary of the Multilateral Trading System, during the Second WTO Ministerial Conference held in Geneva in 1998, anticipated and I quote:

"Despite so much euphoria no one can be sure of how long the United States economic system, ruled by the blind laws of the market economy, will be able to prevent a financial meltdown. There are no economic miracles. That is clear now. The absurdly inflated stock prices in the stock exchange markets of that economy - unquestionably the strongest in the world - cannot be sustained. In similar situations history is not known to have made exceptions. The problem is that now a big crisis would go global and have unforeseeable consequences. Not even the adversaries of the prevailing system could wish that to happen. It would be worthwhile for the WTO to assess these risks and include among the so-called "new themes" another one: "Global Economic Crisis. What to do?" *End of quotation.*

Only ten years after, his premonitory words came true. We are witnessing a global crisis that is multidimensional, inherent and inevitable to the neo-liberal capitalism, a model that is unsustainable from the political, economic, social and environmental point of view.

The crisis has denied the myths that deregulation and economic liberalization promote growth and development. Thus, we are witnessing a steep drop in global trade and its financing. The solution is not to continue applying the failed neo-liberal formula, but to apply different approaches that consider the human being as the reason and centre for development, in accordance with to the Millennium Development Goals.

Neither will the crisis be solved by finishing the Doha Round by demanding more flexibility for developed countries, more liberalization to under-developed countries and ignoring the fact that the centre of its mandate is Development.

The international trading and financial system needs to be radically transformed, not superficially, so as to face the challenges of the 21<sup>st</sup> Century. It is necessary that developed countries eliminate or effectively reduce their multimillion dollar subsidies or, at least, freeze them at the actually applied levels with a view to their gradual and total elimination.

An important contribution of the Multilateral Trading System to solve the crisis would be the unilateral and immediate commitment by developed countries to open their markets to exports from under-developed countries; to refrain from implementing technical regulations and sanitary and phytosanitary measures, including private rules that restrict the entry to their markets; to provide the

necessary resources and access to technology on preferential terms to stimulate our exports, including those aimed at securing an effective adaptation process to climate change.

Under supposedly environmental tricks, there is a current proliferation of initiatives like taxing products from under-developed countries on the basis of the level of greenhouse gas emissions linked to their production. The purpose is not to protect the planet, when in parallel the historic responsibility for pollution do not take on multilateral commitments, but to stop the process of development of the South through the application of unilateral protectionist measures that will not solve the problem of the global climate change.

Given this complex reality, it is imperative the central role of the state in developing sustainable development strategies, including its responsibility for regulating the market and its authority to legislate, administer, select and control foreign investments, depending on its national priorities and development goals.

In this context, the initiatives of South-South integration contribute to the economic independence of the under-developed world. The ALBA emerges as a unique opportunity for Member countries, because its primary objective is the welfare of human beings, not the market.

The negotiations procedures in the WTO have not improved enough in recent years in terms of transparency, as it is not yet guaranteed the real and effective participation of all Members in all stages of the process, as the only and genuine way to achieve consensus.

The current situation of the Doha Round is far from achieving the Development goals that sought to support it. The issues of the Application that should have eliminated the imbalances inherited from the Uruguay Round have been abandoned. Mandated negotiations on the Special and Differential Treatment have been pushed into the background. Meanwhile, there is an increasing demand for more commitments and openness from candidate countries that not even the developed countries comply with and those who are already Members, like us, do not elude similar claims either.

The purpose of completing the Doha Round next year cannot be a goal translated into rush that undermine the legitimate interests of the South. The aim should be to achieve significant and balanced progresses in all negotiating areas, particularly in those relating to development.

Let us put aside the failed speech that says that liberalization is the formula for the solution to the global economic crisis and for the successful completion of the Doha Round, when nine years after its inception, the Empire still continues keeping its multilateral commitment to the opening of trade of under-developed countries, while it applies to my people, for over 50 years, an economic, commercial and financial blockade that violates its much proclaimed doctrine of free trade and extends its effects to other countries, in a clear impairment of the fundamental principles of this House.

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