

## Regional Consultation on

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# Road to Bali: South Asian Priorities for the Ninth WTO Ministerial

## Issues for LDCs

**Mohammad A. Razzaque**  
Commonwealth Secretariat

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## Background

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- Road to Bali
    - The Doha Development Round (2001 - ?)
    - Expectation: MC-9 not a merely housekeeping Ministerial
    - Alternative negotiating approaches to conclude DDA
    - Reality check – **influential commentators**
  
  - LDCs - at the heart of Development in “DDA”
  
  - Early harvest => LDC package => LDC-plus  
=> Doha-lite => LDC Package for Bali
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## **LDCs – key issues for Bali**

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- LDC Group Retreat – Oct 2012
  - A set of broad issues within and beyond Doha parameters
  - Communication by Nepal on behalf of the LDC Group (31 May 2013)
    - Implementation of DFQF
    - Adoption of simple and flexible RoO
    - Cotton
    - Operationalisation of Services waiver
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## **Market Access: DFQF**

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- Meaningful and enhanced market access
  - 97% of tariff lines by 2008 or **no later than start of the implementation period**
    - Differences amongst **Asian and African LDCs**
    - Concerns of other developing countries
    - Fairly complex – as the focus on “**not to diminish market access of another LDC**” and **impact on other developing countries at similar levels of devt**
    - Line-by-line information – impact of existing preference programmes (of the USA)
  - **Positive aspects** of the campaign for DFQF access
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## Services waiver implementation

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- Services waiver (from MFN) for LDCs – adopted in 2011 MC (to grant preferential access in services)
- **Implementation** of the waiver - **not easy**
  - A new territory
  - Not necessarily an obligation for members to grant preferences
  - Even when granted, coverage and supply capacity
  - Waiver given for 15 years – 2 years are being passed
- **Tasks for LDCs**: identification of sectors, and modes of supply, and how to operationalize it?

## Preferential Rules of Origin

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- **Hong Kong MC Declaration Annex F** also agreed to ensure preferential RoO for LDCs are **transparent and simple**
  - The current LDC proposal – ‘**across the board**’ RoO based on a percentage criterion (to avoid product specific rules)
    - The EU and Canada have provided simplified RoO
  - Nepal provided details
  - Until now there has been limited progress in the discussion
  - **LDCs need to engage** with their trade partners if anything serious can be taken to Bali
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## **Extension of the TRIPS Transition Period**

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- ❑ Not necessarily a DDA issue, but **a positive outcome has been achieved.**
  - ❑ A 10-year transition period for LDCs was given in 1995; another 7 ½ years in 2005 (until 1 July 2013); and now for another 8 years (until 1 July 2021).
  - ❑ LDCs asked for extension until they graduate but the **'open-ended' extension** received mixed reactions
  - ❑ A compromise made on the **non-rollback** clause
  - ❑ LDCs will have the **right to seek further extensions**
  - ❑ In the transition period, LDCs may wish to protect trademarks, patents, copyrights, GIs, etc. And if they do so, they have to **apply non-discrimination**
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## **TRIPS**

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- ❑ However, little progress on **TRIPS Article 66.2**

“Developed country members shall provide incentives to enterprises and institutions in their territories for the purpose of promoting and encouraging technology transfer to least-developed country members in order to enable them to create a sound and viable technological base.”

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## Accession

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- WTO 8<sup>th</sup> MC in 2011 adopted a decision on accession of LDCs:
    - Suggested **creating benchmarks in goods** to take into account the level of commitments undertaken by existing LDC Members.  
**Benchmarks in services** should also be explored
    - **Transparency** in accession negotiations; **S&DT provisions** and **additional transition periods**; enhanced **technical assistance** and capacity building support
  - LDCs may want to review if there is anything that needs to be taken forward
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## S&DT

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- In Cancun, members reached an **in-principle agreement on 28 S&DT proposals** – but were never adopted.
  - MC8 agreed to stock-take. But a bigger task at hand, to carefully review them for consideration at Bali – still being discussed.
  - In the Special Session of the **CTD negotiations are underway on monitoring mechanism**
    - to analyse and review the implementation of all S&D provisions in WTO Agreements and Decisions
    - **Not limited to LDCs**, so a possible South Asian common position
    - If adopted, it can be a forum for LDCs to raise concerns about the implementation of S&DT provisions.
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## Trade Facilitation

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- ❑ **Not an LDC specific issue**, but promising area of wider consensus
    - Negotiations are underway to **simplify trading (customs rules and procedures)** processes
    - **Technical assistance and capacity building** are integral component
    - **Flexibility for LDCs** and developing countries for undertaking commitments
    - **A common position is possible** (on capacity building provisions)
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## Critical tasks for LDCs

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- ❑ Serious engagement emphasising on **multilateralism (and inclusiveness)**
  - ❑ Istanbul Programme of Action for LDCs
  - ❑ To bring back **the focus on development**
    - Latest Doha welfare gains - \$160 bn; with **LDCs' real income and exports effects are being negative**
  - ❑ Tackling preference erosion (both under RTAs and MTNs)
    - Trade-related adjustment needs (e.g. Aft support)
  - ❑ **Delicate balancing** of trade goals and post-MDG development issues
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