Regional Consultation on
Road to Bali: South Asian Priorities for the Ninth WTO Ministerial

Issues for LDCs

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Background

- **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**
LDCs – key issues for Bali

- 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

Market Acces: DFQF

- 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
**Services waiver implementation**

- 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?

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** Preferential Rules of Origin**

- **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
Extension of the TRIPS Transition Period

- 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.

TRIPS

- 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.”
Accession

- WTO 8th 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

S&DT

- 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.
Trade Facilitation

- 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)

Critical tasks for LDCs

- 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