

Trade and Development Studies Centre (TRADES)

Statement on the WTO DOHA Ministerial Declaration

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Trades Centre is deeply involved in research on WTO issues and has been closely following the Doha Ministerial Conference. The Fourth WTO Ministerial Conference was held in Doha, Qatar, during the period 9- 14 November 2001. At the end of the conference, the ministers adopted a declaration, which provides the mandate for future negotiations on a range of subjects. The declaration also addresses other work including issues concerning the implementation of the present agreements.

In response to this declaration, **Trades Centre** has taken the following position: The declaration should have seriously addressed the major problem in the WTO system, namely that of the imbalance between developed and developing countries. It seems that the WTO system was designed with developed countries in mind. Serious efforts by developing countries to take their interests and concerns on board are continuously undermined by the influential developed countries. WTO negotiation and rules implementation experience have shown that there are significant basic shortcomings in the provisions of WTO. Powerful developed countries enjoy a unique privilege in the sense that they can distort markets with impunity. Future WTO negotiations will be meaningless if the WTO continues to ignore calls by developing countries, particularly

Least Developing Countries (LDCs) to recognise the imbalances that exists between powerful developed countries and the rest of the countries.

In the preamble, the Doha declaration talks about the problems faced by Least Developed Countries as:

3. We recognize the particular vulnerability of the least-developed countries and the special structural difficulties they face in the global economy. We are committed to addressing the marginalization of least-developed countries in international trade and to improving their effective participation in the multilateral trading system. We recall the commitments made by ministers at our meetings in Marrakesh, Singapore and Geneva, and by the international community at the Third UN Conference on Least-Developed Countries in Brussels, to help least-developed countries secure beneficial and meaningful integration into the multilateral trading system and the global economy. We are determined that the WTO will play its part in building effectively on these commitments under the Work Programme we are establishing.

6. We strongly reaffirm our commitment to the objective of sustainable development, as stated in the Preamble to the Marrakesh Agreement. We are convinced that the aims of upholding and safeguarding an open and non-discriminatory multilateral trading system, and acting for the protection of the environment and the promotion of sustainable development can and must be mutually supportive ...

Commitments to guard the interests of developing countries have been expressed several times before but there is no matching action on the ground. There is nothing new in the Doha declaration to show that the WTO is coming up with practical ways to deal with the problems of developing countries. In the declaration, there are many nice words about the contributions of the trading system and WTO and how it benefits member countries, including developing countries. It is undeniable that the trading system has several positive aspects but the declaration must show how it intends to deal with serious problems faced by LDCs and other developing countries in the operations and

implementation of the WTO system. Such problems are the imbalances in rules, inequitable distribution of benefits and losses, lack of tangible benefits to poorer countries, massive losses to poor countries and poor people from the continuous decline in commodity prices and terms of trade, or the threats to livelihood and jobs when small firms and small farmers are unable to cope with the flood of cheap imports.

The declaration should also include in detail, key points relating to the implementation of a Development Agenda at the WTO in the next phase, aimed at mainstreaming development concerns in the WTO. Development issues should take centre stage in the WTO as proposed by the LDC Ministers at Zanzibar, who suggested the following points:

- effectively addressing the wide range of implementation issues;
- operationalising the special and differential treatment;
- ensuring trade policy flexibility to accommodate the interests of LDCs and other developing countries;
- securing meaningful preferential market access for LDCs;
- taking full account of the interests of LDCs and other developing countries in the built-in agenda and mandated reviews;
- fairer procedures and conditions for LDCs and developing countries seeking accession;
- effective capacity building; and
- ensuring an inclusive and transparent negotiating process.

Agriculture

A total of 121 governments had submitted a large number of negotiating proposals by the time of the Doha Ministerial Conference. Agriculture is now part of the single undertaking in which virtually all the linked negotiations are to end by 1 January 2005. The declaration reconfirms the long-term objective already agreed in the present WTO Agreement: namely to establish a fair and market-oriented trading system through a

programme of fundamental reform. The programme encompasses strengthened rules, and specific commitments on government support and protection for agriculture. Negotiations will be on improving market access, reducing exports subsidies with a view to phasing out and reduction of domestic supports that distort trade. The declaration makes special and differential treatment for developing countries integral throughout the negotiations, both in countries' new commitments and in any relevant new or revised rules and disciplines. It says the outcome should be effective in practice and should enable developing countries to meet their needs, in particular in food security and rural development.

There are nice words regarding addressing the needs of developing countries but these must be translated into action. LDCs and other developing countries expect the ending or severe curbing of subsidies in industrial countries as these subsidies enable cheap food products from the rich countries to flood into the poorer countries. Export subsidies for products of particular export interest to LDCs should be abolished before the review of the Second Phase of the agriculture negotiations in March 2002. LDCs also expect the implementation of bound duty-free and quota-free market access conditions to exports of LDCs covering all agricultural products in their primary, semi-processed and processed forms. LDCs should also be allowed to review and if necessary to readjust their bound tariff rates, in cases where the implementation of the reform process has led to a situation where their small farmers' livelihoods are affected by import competition. The right of the small and poor farmers in LDCs to be protected from cheap imports threatening their livelihoods should be recognised.

Services

The Doha Declaration endorses the work already done in services. The WTO General Agreement on Trade in Services (GATS) commits member governments to undertake negotiations on specific issues and to enter into successive rounds of negotiations to progressively liberalize trade in services. The declaration reaffirms the negotiating guidelines and procedures, and establishes some key elements of the timetable including,

most importantly, the deadline for the conclusion of the negotiations as part of a single undertaking.

Trades Centre supports the idea that LDCs and other developing countries should receive recognition and credit for their autonomous liberalisation. There should be full and effective implementation of Art IV of GATS, to strengthen LDCs' domestic services capacity e.g. through access to technology and distribution channels and information networks. Commitments shall be made by developed countries in respect to movement of natural persons, limitations should be eliminated. Members shall take steps so that administrative practices do not impede the full and effective implementation of their commitments.

Market Access For Non-Agricultural Products

The declaration agreed to negotiations which shall aim, by modalities to be agreed, to reduce or, as appropriate, eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage shall be comprehensive and without a priori exclusions. The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII bis of GATT 1994.

Future negotiations should address serious problems of de-industrialisation as a result of removal or reduction of tariffs in the industrial sector faced by LDCs and other developing countries. In many LDCs, there has been the closure of many local firms in many sectors, and the loss of manufacturing jobs. Keeping this major problem in mind, the LDCs should not accept negotiations on non-agricultural products. More time should be given to LDCs before they can undertake fresh negotiations in this area. LDCs particularly object to the sentence that "product coverage shall be comprehensive and

without a priori exclusions". The "concession" to developing countries and LDCs that their commitments will involve "less than full reciprocity" is insufficient and ambiguous.

TRIPS Agreement

The declaration stresses that it is important to implement and interpret the TRIPS Agreement in a way that supports public health by promoting both access to existing medicines and the creation of new medicines. There is a separate declaration on TRIPS and public health which is designed to respond to concerns about the possible implications of the TRIPS Agreement for access to medicines. It emphasizes that the TRIPS Agreement does not and should not prevent member governments from acting to protect public health. It affirms governments' right to use the agreement's flexibilities in order to avoid any reticence the governments may feel.

Trades Centre feels that the TRIPS agreement should not ignore the evidence of health problems in developing countries generated in recent years and the need to resolve problems. The review process (Article 27.3b) should clarify that all living organisms, including plants, animals and parts of plants and animals, including gene sequences, and biological and other natural processes for the production of plants, animals and their parts, shall not be granted patents. It should also be clarified that members have the option to select their own suit generic system (appropriate national system of protection) for plant variety protection, including systems that accord due recognition to traditional knowledge and traditional practices, and the rights of farmers to use, save and exchange seeds and to sell their harvest. Exclusion from patentability must be extended to medicines which member countries deem necessary to treat life threatening and serious ailments such as HIV/AIDS, malaria and cholera, as well as poverty-related diseases in developing countries, in order to contribute to the access of the poor to affordable treatment.

The transitional period for LDCs in the TRIPS agreement must be extended so long as they retain the status of an LDC, in view of the lack of capacity of LDCs to implement

and benefit from the agreement, and also in view of their weak technology base and capacity.

Trade and Investment

feels that LDCs and other developing countries are not ready for negotiations on this issue as the issues are complex. The LDCs are not able to fully understand the implications for them. It is essential that the implications of rules in this area be analysed and fully discussed so that LDCs can fruitfully participate at the negotiations.

The Centre applauds the recognition by the declaration that there is capacity building needs by LDCs and developing countries. Enhanced support for technical and institutional assistance, including policy analysis and development is needed so that LDCs may better evaluate the implications of closer multilateral co-operation for their development policies and objectives, as well as human and institutional development.

Trade and Competition

Trades Centre feels that LDCs and other developing countries are not ready for negotiations on this issue as the issues are complex. LDCs will only be ready for the negotiations if enhanced support for technical and institutional assistance, including policy analysis and development, is given to them. Technical support will enable LDCs to better evaluate the implications of closer multilateral co-operation for their development policies and objectives, as well as and human and institutional development.

Transparency in government procurement

LDCs and other developing countries are not ready for negotiations on this issue as the issues are complex. LDCs will only be ready for the negotiations if enhanced support for technical and institutional assistance, including policy analysis and development is given to them. Technical support will enable LDCs to better evaluate the implications of closer

multilateral co-operation for their development policies and objectives, as well as human and institutional development.

Trade facilitation

Trades Centre is of the view that trade facilitation measures are necessary and beneficial and but this area does not require new rule making. Hence the study process in the working group should continue.

WTO rules

Trades Centre welcomes the idea of negotiations aimed at clarifying and improving disciplines under the Agreements on Implementation of Article VI of the GATT 1994 and on Subsidies and Countervailing Measures and taking into account the needs of developing and least-developed participants. Further, simplified procedures for taking anti-dumping and anti-subsidy actions should be devised for the use of LDCs and other developing countries. This will make it easier for these countries to defend their industries against dumped and subsidised imports as well as protect the legitimate interests of their exporters.

Technical Cooperation and Capacity Building

Trades Centre is of the view that the technical assistance to help countries understand WTO rules and implement obligations is inadequate and need significant improvement.

Least-Developed Countries

Trades Centre is pleased that the declaration contains good points on the concerns of LDCs. However, concrete and binding commitments must be made to address these concerns.