

GRAND BAIE MINISTERIAL DECLARATION ON THE FIFTH MINISTERIAL CONFERENCE OF THE WTO

We, the Ministers of Trade of the Member States of the African Union (AU) met in Grand Baie, Mauritius, from 19 to 20 June, 2003 to consider a number of issues of developmental importance to Africa, including coordinating our position towards the Fifth Session of the WTO Ministerial Conference to be held in Cancun, Mexico from 10 to 14 September, 2003:

1. **Take note** of the outcomes of recent Ministerial meetings of Eastern and Southern African countries in Nairobi, SADC in Lusaka and LDCs in Dhaka as well as the work under the NEPAD Initiative.
2. **Recognise** that trade can serve as a tool for development and make an important contribution to the realization of the Millennium Development Goals. We recall the collective commitment we undertook at the Fourth Session of the WTO Ministerial Conference, held in Doha, Qatar, in November 2001 to place the needs and interests of developing countries at the heart of the WTO work programme.
3. **Express** serious concerns at the general lack of progress in the current round of multilateral trade negotiations as evidenced by missed deadlines on key issues and negotiations of importance to African countries. The most critical of these have been the lack of progress on the negotiations in agriculture, TRIPS and public health, special and differential treatment and implementation-related issues and concerns. We call on WTO Members to inject momentum in these negotiations in order to ensure that the Cancun WTO Ministerial Conference yields positive results for African countries and makes the Doha Work Programme a truly "Development Agenda".
4. **Are deeply concerned** at the failure to meet the deadline for the establishment of the modalities for further commitments in agriculture, which is a major set-back for the reform programme. Agriculture is of critical importance to Africa's development and holds the potential to lift millions of our people out of poverty. Progress in the agricultural negotiations is essential for the successful conclusion of the Doha

Work Programme. We strongly urge WTO Members to fulfill the commitments undertaken in Doha as contained in the mandate for the agricultural negotiations. Recognizing the vital importance of long standing preferences for African countries, we welcome the proposals on preferences as contained in the Harbinson text and we also call upon WTO Members to address the issue of the erosion of preferences. We further call upon WTO Members to exempt LDCs from any reduction commitments.

5. **Express** our full solidarity with African countries that are affected by subsidies on Cotton provided by developed countries and strongly support actions initiated by some African countries in the WTO to urgently remedy the negative consequences of these subsidies that affect millions of African farmers.
6. **Note** that the Services Council has not satisfactorily met the requirement of carrying out the assessment of trade in services as stipulated in the GATS. We reiterate the need to respect the principle of progressive liberalization and promote and facilitate the participation of African countries in international trade in services, and liberalization by developed countries in sectors and modes of export interest to them. We further reiterate that due respect must be given for the Member's right to regulate trade in services and liberalize according to their national policy objectives. We call for the full implementation of the Guidelines and Procedures adopted in March 2001, particularly giving due consideration to the needs of small service suppliers of Africa. We call for the expeditious completion of the work on modalities for LDCs.
7. **Are deeply concerned** at the failure to find a multilateral solution that would enable Members with insufficient or no manufacturing capacities, make effective use of the compulsory licensing under the TRIPS Agreement as mandated by Paragraph 6 of the Doha Declaration on TRIPS and Public Health. We reiterate our support for the Chairman's text of 16 December 2002, which was done in a spirit of compromise and enjoys the overwhelming support of WTO Members. We call upon other Members who have not joined the consensus on this text to do so. We believe that Members acting in accordance with the terms of the

Chairman's text, will be properly discharging their obligations to address public health problems in accordance with the Doha Declaration on TRIPS and Public Health.

8. **Affirm** that the objectives of the negotiations on non-agricultural market access are to facilitate the development and industrialization processes in our countries. The modalities and the actual negotiations must reflect these goals appropriately by addressing tariff peaks and tariff escalation, taking fully into account the special needs and interests of developing and least-developed countries, including through less than full reciprocity in reduction commitments and the principle of special and differential treatment. We are deeply concerned that the draft elements of the modalities proposed by the Chairman of the WTO Negotiating Group on Market Access for Non-Agricultural products do not take into account the specific vulnerabilities of African industries, especially in the textiles and clothing, leather and fisheries sectors. It is a matter of grave concern to us that the proposals made by some African countries in Geneva have not been considered, especially with regard to erosion of preferences, and revenue implications which are of critical importance to Africa. We urge that the modalities should take full account of all our concerns, in particular, the erosion of preferences. We welcome the Chairman's proposal to exempt LDCs from making any reduction commitments. While recognising the special needs of LDCs, the proposed studies on LDCs should be extended to other African countries and should include the effects of previous liberalization measures as well as the potential impact of any proposed modalities.
9. **Emphasize** the importance of completing the work programme on special and differential treatment (S&D) we endorsed at Doha. We reiterate that all S&D provisions in the WTO Agreements must be reviewed with a view to strengthening them and making them more precise, effective, binding and operational. We are deeply concerned that the mandate on S&D treatment has not been met. We call upon the WTO to conclude this work, as a matter of priority, before the Cancun Fifth WTO Ministerial Conference.

11. **Express** our concern about the lack of progress and missed deadlines regarding the implementation-related issues. We call upon the WTO to conclude this work, as a matter of priority, before the Cancun Fifth WTO Ministerial Conference. We further urge the full operationalization of the Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on LDC's and Net Food Importing Developing Countries.
12. **Recognize** the complexity and importance of the Singapore issues and note that WTO Members do not have a common understanding on how these issues should be dealt with procedurally and substantively. Taking into account the potential serious implications of these issues on our economies, we call for the process of clarification to be continued.
13. **Reaffirm** the need for a coherent and holistic approach at the multilateral level on issues of trade, debt and finance. We also stress the need to operationalize WTO provisions that relate to the transfer of technology. We consider these issues to be of significant developmental importance to our continent and call for the continuation of the work of these Working Groups beyond the Fifth Ministerial Conference.
14. **Are convinced** that our sub-regional and regional integration organizations are pillars of the African Economic Community, and are essential for the promotion of Africa's socio-economic development and serve as the dynamic building blocks for our effective integration into the Multilateral Trading System (MTS). We anticipate that such initiatives will be anchored to development-friendly WTO disciplines arising out of Doha work pertaining to the clarification and improvement of the WTO disciplines applying to regional trade agreements.
15. **Welcome** the adoption the work programme on small economies and request the General Council to use the proposals made by the group of small economies, pursuant to the framework and procedures of the work programme on Small Economies, as the basis for making the recommendations for action at the Fifth Session of the WTO

Ministerial Conference, for the fuller integration of small, vulnerable economies into the MTS. We take note of the WTO Director-General's initiative of establishing "trade policy clinics".

16. **Reiterate** that technical cooperation and capacity building are core elements of the developmental dimensions of the MTS and the Doha work programme. We urge for the increased collaboration among all agencies in the delivery of requisite technical assistance.
17. **Welcome** the launching and commencement of the second phase of the Joint Integrated Technical Assistance Programme (JITAP II) for least-developed and selected African countries by the ITC, UNCTAD and the WTO and the extension of the programme to additional eight African countries. We are confident that the programme will build on its successful track record. We commend the three agencies for their work and request our development partners to avail the requisite resources to enable them deliver the programme and expand it to all African countries in an expeditious manner.
18. **Welcome** the revamping of the Integrated Framework (IF) and expect that it will be fully and effectively implemented in order to contribute to trade-related capacity building needs and overall development objectives of LDCs. We underscore the need to ensure country-ownership both at the pre-Diagnostic Trade Integration Studies (DTIS) and the post-DTIS follow-up, particularly in respect of implementation of trade-related capacity building projects at country level and the mainstreaming of trade in national development plans and the PRSPs. In this context, we welcome the donor initiative for the use of IF Trust Fund Window II resources for this purpose. We therefore call upon bilateral and multilateral donors to enhance their contributions to the IF Trust Fund in order to enable the core agencies deliver on the projects and programmes identified by the recipient countries.
19. **Take note** of the adoption by the General Council in December, 2002 of new guidelines on WTO accession procedures for LDCs and call upon WTO Members to fully implement these guidelines. In view of the difficulties experienced by LDCs and other African countries in

their accession process, WTO Members should refrain from making excessive or onerous demands on their applications.

20. **Are concerned** about the lack of transparency and inclusiveness in the WTO negotiations and decision-making processes. We call for measures to ensure the effective participation of our countries in the processes leading to the Fifth WTO Ministerial Conference, at Cancun and beyond.
21. **Regret** the deadlock over the issue of granting of Observer Status in the WTO bodies and in this regard, we pledge our support for the granting of Permanent Observer Status to the AU and other inter-governmental organizations in view of their trade policy mandate. We call upon other WTO Members to support us in this effort.
22. **Express** our appreciation for the contribution of the Commission of the AU, UN-ECA and the UNCTAD for the continued technical support.
23. **Thank** the Government and People of the Republic of Mauritius for hosting the meeting, for their warm hospitality and for the excellent facilities they put at our disposal.

Done in GRAND BAIE, MAURITIUS on this day of 20th JUNE 2003