

## **Civil Society Statement to the Trade Experts Meeting preparing for the Meeting of the Ministers Responsible for Trade in Least Developed Countries (LDCs), Livingstone, Zambia, 25 June 2005**

Honourable Chairperson and Minister Patel, Honourable Ambassadors, Ladies and Gentlemen, first of all we from civil society want to express our appreciation for being given the space to express our opinion at this meeting. Our concern for the poor populations of the LDCs has guided our engagement to meet and to prepare this statement regarding the on-going trade negotiations in the World Trade Organization as well as regional trade agreements.

Experience has shown us that **free market principles tied to development has been fundamentally flawed** for the majority of LDCs. There is a need to change the focus to a domestic demand driven structure in favour of local entrepreneurs. Therefore the 6<sup>th</sup> WTO ministerial meeting should adopt pro-poor trade policies that are guided by global commitment to sustainable development and poverty eradication.

We note that since the adoption of the Doha Work Programme there is **little evidence of progress on the development concerns** of LDCs and other developing countries even though this were proclaimed as pivotal to the success of the Doha agenda. On the contrary, as evident of their proposals, the rich and powerful industrialized countries of the WTO continue to pressurise for deeper commitments in the direction of further liberalization in crucial sectors such as agriculture, services, binding industrial tariffs. Also the rich countries try to tighten instead of securing rules that gives access to non-reciprocal regional trade agreements (RTAs).

The lack of progress on the SDT and implementation issues manifests the **absence of commitment by the major trading partners** to promote development within the multilateral trading regime. LDCs and other developing countries face the prospect that the current imbalances in the international trade regime threaten their economies and peoples.

We urge the LDC governments to **remain firm in articulating and sustaining positions** which promote the interests of their people and their economies, and to continue efforts to strengthen unity and solidarity among countries of the South.

In this light the following are our recommendations on the most pressing issues in international trade negotiations:

## **On Agriculture**

1. We reiterate that **SDT is agreed to be a component of any disciplines to be developed on export credits.**
2. We call for rapid conclusion of a **flexible Special Safeguard Mechanism** whose coverage is not predetermined as this would constitute a unique instrument for responding to the concerns of LDCs and other developing countries on issues of food security, livelihood security and sustainable rural development.
3. We also call for modalities with respect to the **self designation of special products** do be devised in a way that provides maximum flexibility and exemption from tariff reduction and binding to LDCs and other developing countries to reflect their particular domestic circumstances and development needs.
4. A **time bound elimination of export subsidies** and other support measures that contribute to dumping; including the review of **green box subsidies** is overdue, without prejudice to S&D treatment of NFIDCs and LDCs.
5. LDCs State Trading Enterprises shall be excluded from the application of any new disciplines on STEs; in recognition of **the critical role played by STEs in sustaining livelihoods, food security and poverty reduction.**

## **Cotton**

6. We are encouraged by the recent Appellate Body and Panel Decisions on cotton adopted by the DSB on the 21 March 2005. We warn against some major subsidizing countries attempt to distract the focus from their obligations. Therefore, with a view to retaining policy space for future value addition, we urge the LDC countries to **maintain priority focus on the elimination of all export subsidies and domestic support measures on cotton.**

## **Services**

7. We reiterate that LDCs and other developing countries have the **right to regulate services and liberalize their economies in line with their national development policy objectives.**
8. **LDCs are not under any obligation to further liberalize their services sectors. Industrialized countries should therefore withdraw any demands on services liberalization from LDCs**

9. The multilateral working group on domestic regulation, government procurement, subsidies and **safeguards should be satisfactorily concluded to secure the development needs** of LDCs and other developing countries.

### **Market Access**

10. Developed countries, and other developing countries in a position to do so, must provide **bound duty and quota free market access at remunerative prices** for agricultural products originating from LDCs. This should not be tied to reciprocity.
11. On preferential schemes such as the EBAs and AGOA whose tariffs are zero-rated or low, the LDCs still face restricted market access because of complex Rules of Origin (RoO), Sanitary and Phytosanitary measures (SPS), Non Tariff Barriers (NTBs) and Technical Barriers to Trade (TBT). **These rules should be simplified and harmonized and the LDCs should be facilitated through relevant and demand driven technical assistance to benefit from market access.**
12. Given the asymmetry between parties under the trade rules, **preferences will remain an important tool** for LDCs, and other small economies. Therefore the issue of preference erosion has to be addressed urgently within the WTO.

### **Industrial Tariffs (NAMA)**

13. The LDCs, although currently exempted from reduction commitments under the NAMA, should **engage in the NAMA negotiations** with a view to retaining future policy space. LDCs should also ensure that they are not adversely affected by commitments made by non-LDCs in the context of common regional integration processes.

### **Trade Facilitation**

14. We remain convinced that **trade facilitation should not be dealt with through a multilateral agreement in the WTO.** However, we note that governments have agreed that this be negotiated within the Doha round.

### **Intellectual Property Rights**

15. We reaffirm the right of LDCs to **make use of flexibilities under the TRIPS agreement to protect public health as well as biodiversity and technology transfer.** We call on LDCs to take appropriate measures at the national level to make full use of these flexibilities and to **resist attempts to introduce TRIPS Plus proposals** ( which go beyond TRIPS

obligations) under the EPAs negotiations, bilateral or any FTA arrangements

16.LDCs should **resist the pressure from developed countries and industry** to enact patent laws that limit policy space.

We will distribute our specific text on TRIPS, Public Health and Biodiversity

### **Regional Trade Agreements (RTAs)**

17.Currently, 39 LDCs are parties to the EPA negotiations with the EU. These negotiations are **undermining the few rights and development interests of LDCs** under the WTO framework. The LDCs should not negotiate such agreements.

18.Regional agreements between unequal parties, especially in the EPAs are undermining the regional integration efforts to strengthen regional policies and economies. The experience of developing countries in the WTO ministerial meeting in Doha 2001 showed clearly how well coordinated positions against the so-called Singapore Issues faded away because of the lack of clarity on rules governing regional trade agreements. The LDCs should **support and strengthen proposals on the GATT Article 24 and GATS Art 5** so that the principle of **non-reciprocity and SDT rights** are ensured under RTAs between asymmetrical parties to such agreements.

19.LDC governments should have a **coherent and consistent approach to positions and results that have been obtained in the WTO when they negotiate in other fora**. We therefore reassert that the LDCs should not accept the reintroduction of the Singapore Issues and other WTO Plus agreements in RTAs despite the major powers' attempt to do so.

### **Commodities**

20.We urge WTO Members to address the crisis of instability and secular decline in commodity prices with the aim of **attaining stable, equitable and remunerative prices on these products**.