

**Chair's Reference Paper<sup>1</sup>**

RECENTLY ACCEDED MEMBERS

***Background***

Paragraph 58 of the Hong Kong Ministerial Declaration states that:

"We recognize the special situation of recently-acceded Members who have undertaken extensive market access commitments at the time of accession. This situation will be taken into account in the negotiations."

Paragraph 47 of the Agreed Framework (Annex A of WT/L/579) states that:

"The particular concerns of recently acceded Members will be effectively addressed through specific flexibility provisions."

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<sup>1</sup> The headings used in this reference paper are indicative only.

## Structure for Discussion

### *Introduction*

1. Paragraph 47 of the Agreed Framework states that recently acceded Members (RAMs) will have specific flexibility provisions. However, despite giving a direction for negotiations, this statement obviously leaves a range of issues unresolved. For example, should this flexibility apply or, indeed, is it applicable in each of the three pillars? What Members should be included in the group of recently acceded Members? Is complete closure required on the modalities before flexibility for recently acceded Members can be considered or can some progress be made on flexibility in parallel with, or in advance of, progress on the modalities?

2. This list of issues is not, of course, exhaustive. I wish only to indicate that flexibility for recently acceded Members is an integral part of the negotiations and cannot be considered as an afterthought to complete modalities. As I have said repeatedly, it is not feasible to consider partial modalities because the RAMs will need to see the general bases for new rules and commitments and the flexibility that might be available to them before they can prepare draft schedules. At the same time, given the size and importance in world trade of some RAMs, Members will need to know what flexibility might apply in order to assess objectively the overall result. Some other Members may be interested in the potential for recently acceded Members with much smaller shares of world trade to use flexibility in the context of specific products or market sectors.

3. It might be obvious, but is worth stating nevertheless, that in the end each Member will have to assess the balance among providing the flexibility required under paragraph 47 of the Agreed Framework and paragraph 58 of the Hong Kong Ministerial Declaration, the accession commitments these Members have undertaken and the results of this round of trade negotiations. As background information, and at the request of some Members, some data on the accession commitments undertaken by those Members that joined the WTO since the conclusion of the Uruguay Round is attached to this reference paper.

### *Definition of Recently Acceded Members*

4. One central issue that needs to be addressed is what Members are included within the category of "recently acceded". However, paragraph 58 of the Hong Kong Ministerial Declaration does apply to the negotiations generally and, therefore, the actual list of Members could be considered to be a matter for the Members concerned (because one or more of them may not wish to be designated as being in the RAMs group), the Trade Negotiations Committee, the General Council or a WTO Ministerial Conference. Of course, the agriculture negotiations will determine the specific flexibility to be afforded to this group in the modalities for agriculture. This note is without prejudice to this central issue and exists to facilitate reflection at this point specifically within the agriculture context.

5. In the context of discussions within the agriculture negotiations on the definition of a RAM, I have not noted any fundamental objection to considering paragraph 9 of the Doha Ministerial Declaration<sup>2</sup> as, at least, a starting point, although this is not a matter of an expressly agreed list. Nor have I, to this point, heard any objection to considering Members that joined since the Doha Ministerial Conference to be RAMs. After all, these Members acceded more recently than

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<sup>2</sup> Paragraph 9 of the Doha Ministerial Declaration states, *inter alia*, "[w]e note with particular satisfaction that this Conference has completed the WTO accession procedures for China and Chinese Taipei. We also welcome the accession as new Members, since our last Session, of Albania, Croatia, Georgia, Jordan, Lithuania, Moldova and Oman, and note the extensive market-access commitments already made by these countries on accession..."

those named in paragraph 9. Given the lack of expressed objection on these issues, attention should perhaps next focus on how far before 14 November 2001 could still be considered recent. Should we go back to the start of implementation of the results of the Uruguay Round, or should the cut-off date be some time between that date and the date of the Doha Ministerial Declaration?

6. In considering the list, however, it would be worth also taking account of the practical implications of adding to the list of Members in paragraph 9 of the Doha Ministerial Declaration and those Members that acceded to the WTO after that Conference. Between 1 January 1995 and the Seattle Ministerial Conference five Members joined (excluding Estonia and Latvia that have since acceded to the European Communities). One of these five Members, Bulgaria, is in the process of accession to the European Communities. This would not suggest that the potential size of the group creates an insurmountable problem. But, as already noted, this particular aspect of the Doha Development Agenda is perhaps more a matter, in formal terms, for bodies other than this Negotiating group *per se* to resolve. This for present purposes is without prejudice to that formal issue.

### ***Particular Concerns***

#### *Special situations*

7. The economic and trade profiles of recently acceded Members vary considerably. One common feature is that it would appear that they had to take on extensive commitments in order to accede to the WTO. These commitments, it has been stated, are much more extensive than those other Members assumed during the Uruguay Round of negotiations. As a result, average tariffs are much lower (see the attached tables for a summary of the tariff profile and implementation dates of those Members that joined the WTO since the start of implementation of the results of the Uruguay Round). In addition, few of these Members have the right to provide export subsidies or significant levels of domestic support under the Amber Box and some of them also have specific rules applying to them under their Protocols of Accession. Each Protocol of Accession and each Schedule of Commitments of the RAMs include many details that vary considerably between different Members and it is not practical to list all of these details here.

8. It is, of course, for Members to conduct their own assessment of commitments and proposals. It does however seem reasonable to observe that accession to the WTO has required considerable adjustment for many of the Members concerned, including in the agriculture sector. In addition, some of the Members listed in the attached tables are in transition from centrally planned economies, when, in some cases they were part of larger political entities, such as the Union of Soviet Socialist Republics or the Socialist Federal Republic of Yugoslavia, or they had close economic ties with one of those entities. The on-going economic and institutional transition and reform processes have been very difficult and often complicated by social and economic disruptions associated with conflict.

### ***Specific Flexibility Provisions***

#### *Coverage of flexibility provisions*

9. Paragraph 47 of the Agreed Framework states that specific flexibility provisions will be provided for recently acceded Members and paragraph 58 of the Hong Kong Ministerial Declaration refers to the market access commitments these Members undertook. Our task is to consider the specific flexibilities these Members will be afforded in the agriculture negotiations. Before considering specific proposals and positions, however, it might be useful to consider the coverage of such measures. That is, delegations may need to consider if flexibility is to be provided only under market access or if flexibility provisions should extend to the other pillars as well. It is also worth reflecting on whether the flexibility should take the form of specific measures or modalities applicable only to RAMs or if it should take the form of existing flexibility provisions extended or adapted to the needs of the RAMs.

10. Before addressing some of the specific issues that need to be resolved, it is worth noting that all Members agree that some form of flexibility for RAMs must be provided. Nevertheless there remain considerable differences on the coverage of provisions, the applicability of different flexibilities to developed, developing and possibly other categories of RAMs and the degree of flexibility. While noting the particular situation of recently acceded Members, some delegations have also stated that all Members, except the least-developed, will have to contribute to reform and that flexibility should not extend to complete exemptions from any reductions in support and protection.

#### *Implementation periods*

11. As a practical, as well as a negotiating, issue the attached tables show that some RAMs are still in the process of implementing their accession commitments. Members will need to clarify how, or if, any new commitments made by these Members as a result of the ongoing agriculture negotiations will be implemented. For example, should they first complete their accession commitments and then, perhaps after a period of time, start implementation of new commitments? It has been proposed that recently acceded Members should have a grace period after the conclusion of the Doha Development Agenda followed by a longer period for implementation of the results of the negotiations.

#### *Provisions*

12. It has been noted that some RAMs have stated that they are developing Members and intend to use the provisions and modalities available under special and differential treatment. In some of these cases, the Protocol of Accession supports these statements. In other cases this is not the case. It should also be noted that the two least-developed countries that have recently joined the WTO, Nepal and Cambodia, will, along with other least-developed countries, not have any reduction commitments. Members may wish to consider what, if any, additional flexibilities might be given to these two Members.

13. A wide range of suggestions have been made, in terms of coverage and the degree of flexibility, by different RAMs. Some of these appear to be potentially acceptable to the Membership as a whole – such as longer implementation periods and flexibility to maintain monopoly status for exporting state trading enterprises in developing RAMs (at least for those that seek to preserve domestic consumer price stability and to ensure food security anyway). Others, however, are more controversial, such as access for all RAMs to the special safeguard mechanism or the existing special safeguard, flexibility for tariff quota expansion for sensitive products, lower tariff reductions and/or exemption from tariff reductions for existing low tariffs, no reductions in *de minimis*, etc.

14. In addition to the flexibilities proposed for all RAMs and for developing RAMs, proposals have been made by a group of three countries with small low-income economies in transition that recently acceded to the WTO (TN/AG/GEN/16). While this is not the first proposal from this group of countries and while a number of Members expressed sympathy for it, Members have yet to engage in an in-depth discussion on the proposal. In addition to providing specific suggestions, this proposal also raises the issue of whether there should be additional sub-categories with specific modalities applying within the RAMs that go beyond the developed – developing – least-developed categories and, if this were to be considered appropriate, what indicators would be used to define such a sub-category or sub-categories.

### Commitments on Agricultural Products, Selected Members

Member	Date of Accession to the WTO	SUMMARY OF MARKET ACCESS (TARIFFS) COMMITMENTS ON AGRICULTURAL PRODUCTS											Last year of implementation	
		Simple average of bound tariffs	Max. ad val.	No. of NAV lines.	Implementation of commitments (Number of tariff lines fully implemented)									
					Implemented by 2006	2007	2008	2009	2010	2011	2012			2015
Ecuador	21/01/1996	25.5	86	0	887 Full									2001
Bulgaria	01/12/1996	35.6	98	550	2204 Full									2005
Mongolia	29/01/1997	18.9	75	0	826 Full									2005
Panama	06/09/1997	27.7	260	5	1204	1265 Full								2007
Kyrgyz Republic	20/12/1998	12.3	30	47	921 Full									2003
Jordan	11/04/2000	23.7	200	7	688	690	694	694	874 Full					2010
Georgia	14/06/2000	11.7	30	26	781 Full									2006
Albania	08/09/2000	9.4	20	0	2069	2137 Full								2007
Oman	09/11/2000	28.0	200	0	723 Full									2006
Croatia	30/11/2000	9.4	55	229	1142	1163 Full								2007
Moldova, Rep. of	26/07/2001	12.2	25	63	784 Full									2005
China	11/12/2001	15.8	65	0	978	978	978	978	981 Full					2010
Chinese Taipei	01/01/2002	15.3	500	103	1161	1377	1377	1377	1377	1379 Full				2011
Armenia	05/02/2003	14.7	15	0	684 Full									2003
FYR Macedonia	04/04/2003	11.3	60	305	2070	2179 Full								2007
Saudi Arabia	11/12/2005	12.4	200	89	1122	1122	1143	1143	1168 Full					2010
Tonga	WP 1.12.05													

**Note:** Does not include Cambodia (13.10.2004) and Nepal (23.04.2004) which are considered LDCs. It also does not include Estonia (13.11.1999), Lithuania (31.05.2001) and Latvia (10.02.1999) which acceded to the EU on 1 May 2004.

**Source:** WTO Secretariat

### Commitments on Agricultural Products, Selected Members

Member	Date of Accession to the WTO	SUMMARY OF MARKET ACCESS (TARIFFS) COMMITMENTS ON AGRICULTURAL PRODUCTS												
		Simple average of bound tariffs	Max. ad val.	No. of NAV lines.	Implementation of commitments (Share of agriculture lines implemented)								Last year of implementation	
					Implemented by 2006	2007	2008	2009	2010	2011	2012	2015		
Ecuador	21/01/1996	25.5	86	0	100%									2001
Bulgaria	01/12/1996	35.6	98	550	100%									2005
Mongolia	29/01/1997	18.9	75	0	100%									2005
Panama	06/09/1997	27.7	260	5	95%	100%								2007
Kyrgyz Republic	20/12/1998	12.3	30	47	100%									2003
Jordan	11/04/2000	23.7	200	7	78.72%	78.95%	79.41%	79.41%	100%					2010
Georgia	14/06/2000	11.7	30	26	100%									2006
Albania	08/09/2000	9.4	20	0	97%	100%								2007
Oman	09/11/2000	28.0	200	0	100%									2006
Croatia	30/11/2000	9.4	55	229	98%	100%								2007
Moldova, Rep. of	26/07/2001	12.2	25	63	100%									2005
China	11/12/2001	15.8	65	0	99.69%	99.69%	99.69%	99.69%	100%					2010
Chinese Taipei	01/01/2002	15.3	500	103	84%	99.85%	99.85%	99.85%	99.85%	100%				2011
Armenia	05/02/2003	14.7	15	0	100%									2003
FYR Macedonia	04/04/2003	11.3	60	305	95%	100%								2007
Saudi Arabia	11/12/2005	12.4	200	89	96%	96%	98%	98%	100%					2010
Tonga	WP 1.12.05													

**Note:** Does not include Cambodia (13.10.2004) and Nepal (23.04.2004) which are considered LDCs. It also does not include Estonia (13.11.1999), Lithuania (31.05.2001) and Latvia (10.02.1999) which acceded to the EU on 1 May 2004.

**Source:** WTO Secretariat.

### Commitments on Agricultural Products, Selected Members

Member	Date of Accession to the WTO	Currency	SUMMARY OF DOMESTIC SUPPORT COMMITMENTS ON AGRICULTURAL PRODUCTS										
			Final Bound Total AMS Commitment	Implementation of commitments (Annual bound total AMS commitments)								Last year of implementation	
				Implemented by 2006	2007	2008	2009	2010	2011	2012	2015		
Ecuador	21/01/1996		NIL	NA									NA
Bulgaria	01/12/1996	ECU million	520	520 Full									2001
Mongolia	29/01/1997		NIL	NA									NA
Panama	06/09/1997		NIL	NA									NA
Kyrgyz Republic	20/12/1998		NIL	NA									NA
Jordan	11/04/2000	JD	1,333,973	1,333,973 Full									2006
Georgia	14/06/2000		NIL	NA									NA
Albania	08/09/2000		NIL	NA									NA
Oman	09/11/2000		NIL	NA									NA
Croatia	30/11/2000	€	134,116,772	134,116,772 Full									2004
Moldova Rep. of	26/07/2001	SDR million	12.8	12.8 Full									2005
China	11/12/2001		NIL	NA									NA
Chinese Taipei	01/01/2002	NT\$ million	14,165.2	14,165.2 Full									2000
Armenia	05/02/2003		NIL	NA									NA
FYR Macedonia	04/04/2003	€million	16.3	16.3 Full									2003
Saudi Arabia	11/12/2005	Saudi Riyals Million	3218.28	3,662.60	3,613.23	3,563.86	3,514.49	3,465.12	3,415.76	3,366.39	3,218.28 Full		2015
Tonga	WP 1.12.05												

**Note:** Does not include Cambodia (13.10.2004) and Nepal (23.04.2004) which are considered LDCs. It also does not include Estonia (13.11.1999), Lithuania (31.05.2001) and Latvia (10.02.1999) which acceded to the EU on 1 May 2004.

**Source:** WTO Secretariat.

### Commitments on Agricultural Products, Selected Members

Member	Date of Accession to the WTO	SUMMARY OF EXPORT SUBSIDY COMMITMENTS ON AGRICULTURAL PRODUCTS										
		Export Subsidy Commitments	Implementation of commitments								Last year of implementation	
			Implemented by 2006	2007	2008	2009	2010	2011	2012	2015		
Ecuador	21/01/1996	NIL	NA									NA
Bulgaria	01/12/1996	Budgetary outlay and Quantity reduction commitments in respect of 44 products/group of products	100%									2000
Mongolia	29/01/1997	NIL	NA									NA
Panama	06/09/1997	Budgetary outlay reduction commitments in respect of products covered in the Annex I of the Agreement on Agriculture	100%									2003
Kyrgyz Republic	20/12/1998	NIL	NA									NA
Jordan	11/04/2000	NIL	NA									NA
Georgia	14/06/2000	NIL	NA									NA
Albania	08/09/2000	NIL	NA									NA
Oman	09/11/2000	NIL	NA									NA
Croatia	30/11/2000	NIL	NA									NA
Moldova	26/07/2001	NIL	NA									NA
China	11/12/2001	NIL	NA									NA
Chinese Taipei	01/01/2002	NIL	NA									NA
Armenia	05/02/2003	NIL	NA									NA
FYR Macedonia	04/04/2003	NIL	NA									NA
Saudi Arabia	11/12/2005	NIL	NA									NA
Tonga	WP 1.12.05											

**Note:** Does not include Cambodia (13.10.2004) and Nepal (23.04.2004) which are considered LDCs. It also does not include Estonia (13.11.1999), Lithuania (31.05.2001) and Latvia (10.02.1999) which acceded to the EU on 1 May 2004.

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