

WORLD TRADE ORGANIZATION

WT/MIN(98)/ST/96

20 May 1998

(98-2118)

MINISTERIAL CONFERENCE
Second Session
Geneva, 18 and 20 May 1998

Original: English

TANZANIA

Statement Circulated by Hon. K.A. Mussa,
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African Development Community (SADC) Member Countries

SADC, was established in 1980 as a regional development coordination conference and has, since 1982, been transformed into a community, currently grouping 14 Member States of Southern Africa. The Member States are: Angola, Botswana, the Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. Over the years, SADC's main preoccupation has been focused on reducing extreme external economic dependence, and achieving economic and social development for the region through collective efforts of Member States with the support of the cooperating parties. An important aspect was the signing of the SADC Trade Protocol which provides for the establishment of a free-trade area, as announced during the first WTO Conference in Singapore December 1996. The creation of the free-trade area is intended to enhance integration and economic synergy within the process of community building.

SADC has extended its scope to include programmes for enhancing political stability, peace and security, and the democratization process including the promotion of human rights and good governance, gender and environmental concerns in its development programmes. SADC countries consider these developments as an important prerequisite for encouraging investment and trade in order to achieve accelerated and sustainable economic and social development.

SADC countries are highly committed to the principles and course for which WTO was established. A strengthened SADC regional economy is considered an important building block for viable participation in the world economy and trade. This WTO Ministerial Conference provides an added opportunity to evaluate the implementation of various agreements of the WTO against certain agreed objectives and targets; and to make decisions that will guide future work in the process of creating an enabling climate for all Member States to benefit from the multilateral trade framework. Indeed the momentum that has been building up over the past four years since the WTO entered into force has been generally pleasant especially for developed countries and some developing countries, in terms of expanded trade and job creation.

Implementation of WTO Agreements

With regard to the implementation of the WTO Agreements, SADC's opinion is that developing countries continue to experience difficulties in complying with notification requirements which are many and a burden to them, in particular the LDCs.

Most developing countries have also been unable to fulfil their obligations relating to enactment of new legislations and creation of institutions in order to bring into WTO conformity many of the existing legislations, due to inadequate administrative and resource capacities.

The other problem is the non-implementation of the Uruguay Round Agreement provisions and decisions relating to accelerated implementation of measures in favour of LDCs including the Special and Differential Treatment to developing countries by developed countries. An example of this problem is the anti-dumping measures and developed countries still impose on developing countries' exports. This needs to be addressed.

SADC countries are also concerned that the TRIPs Agreement will escalate the imbalance against the developing countries, by restricting access to new technologies. We suggest that the Agreement should be reviewed in order to find ways to avoid such anomaly.

SADC countries would like therefore to present the following three proposals for improving the implementation of WTO agreements:

- Developed countries and International Development Agencies should fully meet their commitments to provide resources that would support the capacity building of developing countries to implement the WTO programmes.
- The time-frame already agreed upon for the implementation of the Agreements should not be brought forward and in some cases where developing countries experience serious difficulties, the compliance time should be reviewed.
- Commitments in favour of developing countries and LDCs should be implemented, including measures to redress possible negative effects of the reform programmes on LDCs and net food-importing countries.

High-Level Meeting on LDCs trade and development (HLM)

We in SASDC, whose majority members are in the developing and LDCs group, recognize that the WTO-organized HLM was a practical follow-up to an important decision of the First WTO Ministerial Conference, to address the problems of marginalization of LDCs in the world economy.

SADC countries note with appreciation the announcement of autonomous market access offers made by a number of developed and developing WTO Member countries. We also recognize the useful recommendations made geared towards improving LDCs capacity to trade and encouraging investments in these countries. Further, the specific country round tables involving some LDCs provided a unique opportunity to these countries and cooperation parties and agencies to facilitate integrated initiatives for the LDCs trade development.

However, the LDCs needs and responses were not as focused and specific as we would have wished them to be. Besides the autonomous offers do not provide guarantee as they can be withdrawn.

SADC countries would therefore wish to make the following proposals to assist the transformation of LDCs:

- Steps should be taken to formulate specific programmes for the transformation of the LDCs, based on the needs and potentials of each individual country. Such programmes should be comprehensive and should address supply-side constraints, infrastructural development and provision of market information.
- A mechanism should be set up for effective management of the transformation process for LDCs, including monitoring and evaluation. It is also recommended that the mechanism and a focal point should be established to provide feedback on the work programme. In this regard, consultations with ITC and the other agencies about the establishment of such a mechanism should be enhanced.
- The six agencies namely ITC, WTO, UNCTAD, UNDP, IBRD and IMF supporting LDCs should be encouraged to coordinate their policies and programmes on LDCs for effectively in order to avoid duplication and to achieved coherence.
- Concerted efforts should be made to support and strengthen SADC regional industrialization and trade development agreements as well as programmes aimed at strengthening the processes of community building.
- The terms and conditions of multilateral rules on regional integration should be interpreted and implemented in ways that facilitate regional integration among developing and least-developed countries.
- LDCs should be assisted in the promotion of domestic and foreign direct investment.
- Initiatives taken to address LDCs problems should not be seen as isolated from the general problems of the developing countries.

Future work of the WTO

With regard to future WTO activities, SADC countries are the view that the built-in agenda represents an adequate framework for future negotiations and review.

While cognisant of the progress made so far on some of the areas in the built-in agenda, notably on basic telecoms and financial services, concern persists in three main areas, namely market access, production and trade, and service.

Market access

Market opportunities have not been accessed by developing countries due to serious supply-side constraints in terms of inadequate export production, poor infrastructure and uncompetitiveness.

SADC countries are also concerned about the existence of tariff peaks and tariff escalations as well as the growing use of non-tariff barriers, including technical barriers to trade which constrain developing countries exports. In order to promote practical market accessibility for developing countries, SADC countries would like to make proposals as follows:

- Appropriate and adequate measures should be taken to strengthen and competitiveness of developing countries' exports.

- Waivers should be granted and extended to enable continued preferential trade arrangements provided under the ACP-EU Lomé Convention and other similar schemes to support developing countries' trade development.

Production and trade: industrial, agricultural

The WTO Subsidies Agreement constrains the use of measures to promote trade, and industrial and agricultural production, which in turn holds back development.

SADC countries therefore recommend that the WTO rules on subsidies be reviewed in favour of developing countries, in order to allow them to utilize all instruments available to them for trade, industrial and agricultural development and promotion.

Services

We SADC countries are concerned that we may not derive meaningful benefits from the GATS.

We therefore recommend that special and differential treatment should be developed in favour of developing countries' trade in services such as tourism and export of labour intensive services.

New issues

We are aware of the attempts by some WTO Members, particularly the developed countries, to introduce new issues onto the WTO agenda. SADC countries wish to observe that since the entry into force of the WTO, most developing Member countries have, despite sincere efforts, been struggling with limited success to meet their obligations as provided for under the various WTO Agreements. Their capacity, therefore, to take on new commitments over the above the existing obligations under the built-in agenda is severely limited.

For this reason SADC countries request that presently the WTO focus on the implementation of the Uruguay Round Agreements. The WTO should take stock of the implementation process and evaluate whether the prospects of economic growth, sustainable development and improved international relations that the outcome of the Uruguay Round had promised has, by any degree, been achieved.

As SADC countries, we would like to reiterate the position we took in Singapore that negotiations on new issues are premature, and to suggest that the introduction of premature new issues by the developed countries on the already over-burdened WTO agenda should be avoided.

On the other hand, developing countries should nevertheless be encouraged and supported to undertake concerted research and analysis of their interests and the implications of the new topics. This should include the development of proactive strategies to the topics in addition to raising additional new issues which are of interest to them. Where feasible efforts should be made to ensure additional provisions in the WTO system in favour of developing countries to promote their effective and meaningful participation in global trading system. We would also wish to urge that the decision-making process, including the formulation and implementation of multilateral trade rules, is transparent at all times. Since at present there is no level playing field in the international trading system, it is imperative to ensure flexibility in the definition and implementation of WTO rules and obligations *vis-à-vis* developing countries.

Equally importantly there is a need to seek a balanced and favourable outcome of the Second WTO Meeting which addresses the concerns and interests of all WTO Ministerial Conference Member States, in particular the developing countries.

SADC countries associate themselves with the common African position presented to this meeting. SADC countries have no doubt that Members of the WTO will support these proposals which could be an effective package for assisting the transformation process of developing countries and LCDs alike, thus providing an opportunity for them to become viable participants and partners in the world economy.
