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LAO PEOPLE'S DEMOCRATIC REPUBLIC

Statement by H.E. Mr. Siasavath Savengsuksa
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On behalf of the Government of the Lao PDR, I wish to convey my gratitude to the Government and people of Mexico for their warm hospitality extended to us as well as my appreciation for the fine arrangements made by the WTO for this Ministerial Conference.

We are here in Cancún to take stock of the progress of the negotiations launched since 2001 and to give the political guidance to the second half of the negotiations.

Least-developed countries have committed themselves to the rule-based multilateral trading system, including the Lao PDR who is still in the early stage of accession. Cambodia and Nepal are well under way to celebrate their membership in this Conference. No doubt that the accession process has been arduous, difficult and painful.

Allow me to brief you about the Lao PDR. It shares common characteristics of other LDCs, namely, low national income, weak human assets, and high economic vulnerability. Agriculture dominates the economy as agricultural product makes up around half of national output while more than 80 per cent of the population lives in rural areas and involves in agricultural activities.

The Lao PDR has embarked upon a comprehensive programme of economic and trade policy reforms since mid 1980s. Among others, we became a member of the ASEAN in 1997. And in that same year, we applied for WTO membership.

We are ambitious to join the WTO club in the hope that this would lead us to higher economic growth and the reversal of poverty incidence. Nevertheless, we feel that effective measures are needed to make trade work as an engine of growth and human development. Given the differences in levels of development and the ability of countries to assume obligations, it is imperative to ensure that equal rules do not apply to unequal players in the world trading system.

In this connection, I would like to stress on a number of issues that concern LDCs and urgently need to be addressed.

First, agriculture is the dominant sector of our economies and it provides the likelihood for the majority of our population. In this connection, we need meaningful market access as well as substantial reduction in domestic and export subsidies of agricultural production in developed countries.

Second, non-agricultural products exported from developing and least-developed countries face high levels of tariff escalation and tariff peak. Thus, NAMA should be negotiated with a view to

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achieving a simple, ambitious, non-linear, harmonizing formula. The product coverage shall be comprehensive and without prior exclusions.

Third, acceding to the WTO for many LDCs is a daunting task. Negotiating partners should fully adhere to the LDCs' Accession Guidelines adopted by the WTO General Council in December last year. The accession negotiations shall not put a burden on us but reflect our trade, development, competitiveness and financial needs.

Fourth, the greatest benefit will incur to LDCs if developed countries allow for free movements of natural persons particularly low-skilled and semi-skilled. If capital and goods can cross the border smoothly, why should we not treat the other factor of production, labour, in the same manner?

Fifth, the special and differential treatment promises to provide policy space to assist and facilitate the beneficial integration of LDCs into the world trading system through expansion of trade and investment. Yet many of the S&D provisions have not been materialized. Thus, we should provide the negotiation forum with a view to making the S&D precise and operational for all developing and least-developed countries.

My proposals may seem too ambitious. But they are basically mandated in the Doha Development Agenda and the Dhaka Declaration. The wide diversity of interests represented here, together with the need to make progress across all fronts, means that all countries should be prepared to work in a spirit of flexibility and compromises. I strongly confine that if we take a coordinated position with a view to achieving a fair deal in the world trade, we can find the best solutions for all parties.
