

**BANGLADESH**

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WTO Ministers met in Singapore in December 1996 for the First WTO Ministerial and now they meet for the Second Ministerial in Geneva. While recognizing the succession of Ministerials as a healthy sign for global trade we would like to begin this statement by saying that our perception of the Ministerial is primarily based on Article 4 of the Agreement, which States that a Ministerial is expected to "... further strengthen the WTO as the forum for negotiation, the continuing liberalization of trade within a rules-based system and the multilateral review and assessment of trade policy ...". We are also conscious that 50 years of work went behind the establishment of WTO, the Organization entrusted with the supervision of the rule-based Multilateral Trading System.

At this moment one of the preambular objectives of the Agreement that comes to mind is "... conducting our trade relations with a view to raising standard of living worldwide". We in Bangladesh believe that as a direct consequence of trade liberalization a large part of this objective has been achieved through creation of more and better-paid jobs in many countries. Achievements in this area reflect our strong commitment in liberalization and promotion of sustainable growth while contributing to a more stable and secure climate in international relations.

2. LDCs and Multilateral Trading System (MTS)

However, despite these splendid achievements it is still true that all of us have not benefited equitably from the rule-based Multilateral Trading System. Condition in the 48 LDCs, where more than 1/5th of humanity lives, continues to deteriorate. During 1997, while total global trade amounted to a huge US\$6 trillion, the LDCs generated a mere 0.03 per cent share of this output.

3. Trade and growth

We agree that liberalized trade is a prime source of new wealth which is created through realization of international division of labour and globally optimal resource allocation. Hence it has been assumed that a liberalized global trading regime would at the end of the day, benefit everyone. Indeed driven by this notion, GATT negotiators, agreed that the developing countries, particularly the LDCs, needed shelter of special provisions for some time to integrate fully into the global trading system. A number of provisions under the rubric of Special and Differential Treatment (SDT) were, therefore, built into the Final Act. However, despite these good intentions, LDCs have not reaped much of the expected benefit. Their trade share has progressively declined leading to a deepening of poverty in most LDCs. The UNCTAD World Investment Report 1997 refers to some of these LDCs as economies in regression, meaning a condition of collapse of the state as a social institution. Thus a downward slide from poverty to indigence is clearly discernible in many LDCs.

4. Special and Differential Treatment (SDT) provisions

The Special and Differential Treatment (S&DT) provisions of the Agreement are deemed to be applicable autonomously. Consequently unlike other provisions of the Agreement they lack legally binding force. On a recent occasion when WTO submitted a briefing paper (No. WT/COMTD/W/35 dated 9 February 1998) to its Committee on Trade and Development (CTD), it did not give a report on SDT provisions as, in its words, these autonomous intervention needed no reporting and monitoring obligation on the part of the implementors and WTO. We request that WTO not only monitor the progress of implementation of the SDT provisions but also report its findings to the General Council.

5. Poverty alleviation

With the rise of democracy following the recent thaw in cold war, LDCs are coping with the rising expectations of their peoples. They now aspire for and demand more political liberty, wider franchise, freer press, guaranteed human rights, among other "new" freedoms. The rising tide of democracy in LDCs have also given birth to numerous NGOs in them. They are now in the fore-front of rudimentary development programmes based primarily on micro-enterprise and skill development. Specially in my country, Bangladesh, the flourishing of the Grameen Bank with its Micro-Credit strategy has attracted world-wide interest and is now among the more popular development concepts around the world. Despite all these achievements, the spread of poverty continues unchecked. This calls for more coherent and bolder institutional approaches. We consider the WTO Ministerial to be an apt occasion to draw the attention of the Members to this reality.

6. Official Development Assistance (ODA)

Another matter, which has aggravated poverty in the LDCs is the recent decline of ODA. As a result, in many LDCs critically needed investment in socio-economic infrastructure, could not be made. Transfer of appropriate technology and ODA funds for building vital infrastructure in roads, ports, power, human resources, etc. in the LDCs should be effected quickly. Despite commitments, almost all developed countries have failed to fulfil their obligations of giving ODA at 0.7 per cent of their respective GNPs. Therefore, the presumed capacity of less-developed countries to compensate ODA fall through "expanded" trade is unrealistic.

7. Capacity building in LDCs

Most LDCs have thin export base. Besides, they are usually short on food supply and lack start-up capacity to exploit their own natural resources. Occasionally exploitation of their natural resources has been possible through disadvantages, profit-sharing agreements with TNCs. Such extractive enterprise adds very little value to the products, does not trigger linkage industries and often end in degradation of the native environment.

8. Technical assistance: Integrated Framework (IF)

The recently adopted "Integrated Initiatives for Trade-Related Technical Assistance, Including for Human and Institutional Capacity-Building, to Support Least-Developed Countries in Their Trade-Related Activities" at the WTO organized High-Level Meeting in October 1997 at Geneva provides a coherent framework of cooperation among the developed countries and IGOs (UNCTAD, WTO, ITC, World Bank and UNDP). Through this framework the IGOs can combine efforts and at least begin to address issues, which plague LDC economies.

9. Technical assistance resources

The Technical Assistance resources of WTO is inadequate compared to its need and depends on generous donor support. We urge for the strengthening of Technical Assistance Wing of WTO with adequate fund from WTO's budgetary sources. The Integrated Framework provides a joint platform for all agencies and full use of this opportunity should be made.

10. TRIPS

The long-term implications of the provisions of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) on the economy and technological evolution of developing countries, particularly the LDCs, remain uncertain. Owing to a general lack of technological attainments in these countries, their prospects of contribution in this area in the foreseeable future are dim. Hence the prospects of detrimental application of patent rights relating particularly to seeds, plant varieties, pharmaceuticals, biotechnology, etc. raise important questions for the LDCs.

We call upon Ministers to review the provisions of this Agreement and find ways to ensure participation in an equitable TRIPS regime by all Members in the new rounds of negotiation which is scheduled to open in the near future.

11. Rules of origin

We draw Members' attention to the Agreement on Rules of Origin and exhort their application particularly on the export regime of the LDCs. In line with the intentions of the rules of origin as set out in its preamble wherein it is stated *inter alia* to establish a clear, predictable transparent and trade-friendly rules of origin, which do not nullify or impair rights of Members under GATT 1994, we urge Members to further relax the rules of origin obligations for the benefit of the LDCs. Such a step would encourage export growth of LDCs assisting at the same time their integration in the Multilateral Trading System.

12. Market access

The technical assistance through the integrated framework will however, need to be combined with sympathetic measures in preferential market access for LDC products in developed countries. Particularly zero tariff access into the developed economies for LDC goods and services should receive urgent consideration. Bangladesh believes that market access for competitive LDC goods at zero tariff into developed markets would enable LDCs to reap benefit of their natural advantage based on cheap labour. Once such generous market access was available in the developed economies a reverse access for sophisticated developed country products and services into LDC economies would become feasible. This would result in mutually beneficial trading relationship between the two types of economies.

The EU and eight other economies, announced improved market access for the LDCs in the HLM in October 1998. However, only EU and Turkey have meanwhile notified WTO about their "offers". We urge others to notify their offers early.

13. Debt overhang in the LDCs

The heavy debt burden of LDCs, requires imaginative review by creditors. The recent Africa Initiative in favour of some HIPC's is commended. We would recommend that the entire debt burden of the LDC community be eliminated through one bold and swift policy intervention from the creditor club. Realistic conditionalities may be imposed on debtors before they are able to reap the benefits of the debt relief initiative.

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