

**JOINT STATEMENT BY THE SAARC¹ COMMERCE MINISTERS ON
THE FORTHCOMING FOURTH WTO MINISTERIAL
CONFERENCE AT DOHA**

New Delhi, India
23 August 2001

Communication from Sri Lanka

The following communication, dated 28 August and addressed to the Chairman of the General Council, has been received from the Permanent Mission of Sri Lanka.

1. The Government of Sri Lanka is the current Chair of the South Asian Association for Regional Co-operation which is known as SAARC. Hence, on behalf of the SAARC member states of the WTO, I am pleased to forward herewith a copy of the Joint Statement adopted by SAARC Commerce Ministers, at the meeting held in New Delhi, India, on 23 August 2001, on the forthcoming fourth WTO Ministerial to be held in Doha, Qatar. This is in continuation of the practice adopted prior to the Geneva and the Seattle Ministerial Conferences.

2. I shall be grateful if the Joint Statement by SAARC Commerce Ministers is circulated in a General Council document as a contribution from SAARC Member countries of the WTO to the preparatory process of the fourth Ministerial Conference.

1. The Commerce Ministers and the Heads of Delegations of the Member Countries of the South Asian Association for Regional Cooperation (SAARC) met in New Delhi on 23 August 2001 with a view to consult more closely and to coordinate their national positions in the context of the Fourth WTO Ministerial Conference to be held at Doha, Qatar from 9 to 13 November 2001. The meeting of the SAARC Commerce Ministers and Heads of Delegation was preceded by a preparatory meeting of the Commerce Secretaries of SAARC countries, which was held at New Delhi on 22 August, 2001.

2. The strong commitment of the respective governments was reiterated to work for the further strengthening of the multilateral trading system under the WTO. Recalling the Joint Statement of the Commerce Ministers of SAARC Countries issued on 9 August 1999 at Bandos Islands, Malé prior to the Seattle Ministerial Conference, the utmost importance particularly from the standpoint of developing countries was underlined for a consensual outcome of the forthcoming Doha Ministerial Conference.

3. Progress made in WTO in relation to the resolution of the implementation concerns raised by developing countries in respect of the Uruguay Round Agreements was reviewed. Deep disappointment was expressed on the lack of any meaningful progress despite a clear decision in May

¹ SAARC Member States are – Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

2000 by the WTO General Council that these issues have to be addressed and decisions taken for appropriate action not later than the 4th WTO Ministerial Conference. It was felt that any further delay was likely to erode the credibility of the multilateral trading system among the developing and the least-developed countries. It was further emphasised that these issues being a fall-out of the Uruguay Round Agreements must be meaningfully resolved upfront, and with urgency, without any extraneous linkages.

4. It was noted with serious concern that the Uruguay Round of Agreements and their implementation have further accentuated the inequalities and disparities between the developed and developing countries. It was strongly felt that addressing this growing development deficit should receive primacy in all future work programmes in WTO since the key to sustained global economic growth lies in unlocking the growth potential of developing countries. For this, the industrialization in the developing countries in areas where they possess comparative advantage should be facilitated by providing them increased market access opportunities by the developed countries by eliminating their trade distorting subsidies, non-tariff barriers and unreasonable protectionist measures.

4.1 Attention was drawn to the following specific issues of particular interest to their countries, which needed urgent focus:

- (a) The Uruguay Round Agreements have not resulted, as earlier expected, in greater market access for the exports of developing and least developed countries due to the existence of 'tariff peaks', the phenomenon of tariff escalation, and the use of non-tariff barriers, in respect of products of export interest to the developing and least-developed countries. Developed countries should desist from imposing non-tariff measures, as is being done now, on products on which developing countries have acquired comparative advantage. Action should be taken to ensure effective greater market access for developing country exports.
- (b) Since in the existing UR Agreements, the Special and Differential (S & D) provisions are mostly in form and not in substance, it was felt that WTO Agreements should take into account the special development needs of developing countries in a more meaningful and effective manner. The S & D provisions need to be based on an objective criterion taking account of the wide economic diversity within developing country Members. These provisions need to be contractually binding and must be operationalized and made enforceable so that these do not remain merely "best endeavour clauses".
- (c) There is an immediate need for a more meaningful integration of the textile and clothing sector, in view of very limited liberalization of trade, affecting items under specific quota restraints. Measures in this regard should include, inter alia, accelerated removal of quota restrictions whereby an additional 50% of imports of products from the four product groups are integrated at the commencement of third stage of integration by 1 January 2002, implementation of increased growth rates for the remaining years of the Agreement on Textiles and Clothing, exercise of restraint on unilateral modification of rules of origin to the detriment of developing and least developed countries, application of moratorium on anti-dumping, anti-subsidy and safeguard measures, resorted to by importing countries on exports from developing and least-developed countries until 1 January 2007.
- (d) There should be a further extension of the moratorium on the applicability of the non-violation complaints to TRIPS. There is a need to prevent piracy of traditional knowledge built around bio-diversity and there should be a harmonization of the TRIPS Agreement with the UN Convention on Biological Diversity so as to ensure appropriate returns to traditional communities. There should be international recognition of the *sui generis* system for the protection of traditional knowledge including by way of disclosure of source or origin of the bio resource accessed and

equitable benefits sharing for the traditional knowledge used by the patent applicant. Member countries should continue to have the flexibility to determine which *sui generis* system is best suited to provide protection to the plant varieties so as to provide the necessary protection to the existing rights and privileges of their farmers. Higher level of protection should be accorded in the form of geographical indications in products other than wines and spirits so that products of export interest to the region could get the required benefit. The relevant provisions of the TRIPS Agreement relating to the meaningful transfer and dissemination of technology to developing and least-developed countries should be effectively operationalized.

- (e) In the interpretation of the Agreement on Trade Related Intellectual Property Rights (TRIPS) in the context of public health, greater flexibility and clarity were required so as to ensure affordable access to essential medicines and life saving drugs in keeping with public health concerns of developing countries. Nothing in the TRIPS Agreement should prevent governments from taking measures for protecting public health.
- (f) Under the Agreement on Trade Related Investment Measures (TRIMs), there should be a positive approach to requests for further extension of the transition period for developing countries. There should also not be any expansion in the list of the measures covered by the disciplines of the TRIMs Agreement. Greater flexibility and appropriate amendments in the TRIMs Agreement are necessary for developing countries to enable them to pursue their goals for development and rapid industrialization including indigenisation.

5. Progress made in relation to the ongoing mandated negotiations in the areas of Agriculture and Services and also in respect of the various mandated reviews and other built-in agenda items were reviewed. It was urged that all these work programmes needed to be actively followed up and it was proposed that the Doha Ministerial Conference should make a renewed call for redoubling efforts in this regard. In the area of agriculture, it is critical that there are substantial reductions in tariffs and tariff escalations, substantial reductions in domestic support and the elimination of all forms of export subsidies given by the developed countries so as to facilitate greater market access for the agricultural products of the developing countries. It was also important to reiterate the need for a differential and more favourable treatment for developing countries including the need for giving enough flexibility to developing countries so as to safeguard their food and livelihood security, and rural development concerns including those relating to rural employment. The flexibility available to developing countries under the Agreement on Subsidies and Countervailing Measures (ASCM) should also be extended to agriculture. In the ongoing mandated negotiation on services, increased commitment should be sought from developed countries with regard to market access in services especially by way of movement of natural persons.

6. It was considered that the mandated negotiations, the mandated reviews, the ongoing work programme in the various working groups, the accession of over 30 countries taken together with the work programme for the resolution of the implementation issues themselves provided a sufficiently broad agenda for now. It was agreed that any move to add further issues runs the risk of overloading the agenda and making it unsustainable and further, that the inclusion of any new item for negotiations could be discussed only after there was convergence of views amongst the WTO membership.

7. Opposition was voiced to any move for negotiations on subjects, such as on Investment and Competition, which places limitations on development policy options. Any move for drawing up plurilateral agreements in these areas was also opposed as this would run contrary to the basic tenets of the multilateral trading system and may therefore, open the floodgates for demands for several plurilateral agreements which would create different levels of commitments by different members. It was felt that proposals for industrial tariff negotiations have to be carefully looked into. Issues from a development perspective needed to be kept in view without full reciprocity. There is also the urgency

of greater access to the more developed markets. The call to developed countries was reiterated to meaningfully address the priority issues of tariff escalation, tariff peaks and non-tariff barriers in the market.

8. Any linkage of trade with social or other non-trade issues like labour standards was resolutely opposed. Their firm opposition was reiterated to the erection of trade barriers on environmental pretext and to any widening of the environmental window in WTO. Full support was also extended to the ongoing balanced work programme in the WTO Committee on Trade and Environment.

9. Any involvement of NGOs or Civil Society in the decision-making of the WTO, which was an intergovernmental organization, as also soliciting of *amicus curiae* briefs in the Dispute Settlement Proceedings was opposed.

10. Developing of concepts such as global coherence with other intergovernmental organizations like ILO and UNEP was cautioned against as it may be used to link trade with social issues or widen the environmental window for protectionist purposes.

11. It was agreed that in view of the increasing marginalization of least developed countries (LDCs) in world trade, the following measures among others, should be taken in the spirit of the Joint Declaration in the recently held conference of LDCs to enhance their participation in the multilateral trading system:

- (a) LDC applicants for WTO membership should be allowed to accede on a fast track on the basis of clear guidelines. The conditions for accession must not be more restrictive than those applied to other LDCs during the change of their membership from GATT to WTO. Obligations of acceding LDCs should be commensurate with their stage of development and based on the S & D treatment in favour of LDCs. The preferences and concessions enjoyed by acceding LDCs through bilateral and regional agreements at the time of accession may be taken into account. In the case of LDCs, the transitional period provided under various agreements should commence from the date of their accession;
- (b) There should be a binding commitment to grant LDCs duty free and quota free access by the developed countries for their exports. These should also be exempt from anti-dumping duties, safeguard actions and non-tariff barriers by such countries;
- (c) Rules of origin including those under unilateral preferential regimes such as GSP applicable to LDCs should be harmonized and tailored to promote their participation in global production chains;
- (d) All notification requirements should be made simpler and deadlines for full implementation of all agreements extended to match their technical capacities;
- (e) Integrated framework for technical assistance to LDCs should be implemented by providing adequate resources to the Trust Fund; and
- (f) Developed countries should provide concessional transfer of technology to LDCs.

12. It was also agreed that there should be a work programme in the WTO to identify specific problems faced by small developing economies.

13. The need for the WTO Secretariat to function in a non-partisan and neutral manner rather than advocating positions of some countries was reiterated. In this regard it was strongly recommended that recruitment from developing countries to the Secretariat needs to be enhanced to improve the functioning of the Secretariat.

14. It was emphasized that the Doha Ministerial Declaration and its mandates should be clear and specific and there should be no scope for ambiguities, constructive or otherwise, as such ambiguities could potentially have the most adverse effect on developing countries. There should also not be any attempt to include new issues at the eleventh hour in the Declaration, which should be prepared on the basis of full prior consultations and consensus.

15. The need to remain in close touch as also to hold another meeting at Doha on the margins of the 4th WTO Ministerial Conference was agreed to. The Ambassadors of SAARC countries accredited to the WTO in Geneva were directed to consult more closely on all related matters spelt out in this Joint Statement.
