

Least-Developed Countries Outline Cancun Objectives

Trade ministers of least-developed countries (LDCs) have reached a common position on their objectives for the WTO Ministerial Conference to be held in Cancun next September. They called for binding duty- and quota free access for all LDC exports, as well as compensatory mechanisms to offset the erosion of preferential margins due to general tariff reductions arising from the Doha Round. The ministers also expressed their “full solidarity with African LDCs that are affected by subsidies on cotton provided by developed countries,” and strongly supported the initiative to seek the rapid elimination of such subsidies in the agriculture negotiations.

At the conclusion of their meeting in Dhaka, Bangladesh, from 31 May to 2 June, least-developed country trade ministers adopted the Dhaka Declaration, which calls for the WTO’s fifth Ministerial Conference to agree on the following:

- a binding commitment on duty-free and quota-free market access;
- a binding commitment from trading partners guaranteeing a substantive and concrete increase in LDCs’ market share in world trade;
- resolving, by Cancun, all implementation-related issues and concerns, and all special and substantially expanding and binding special and differential treatment provisions;
- free access to developed country markets for temporary movement of natural persons, particularly unskilled and semi-skilled service providers by *inter alia* recognising professional qualification, simplifying visa procedures and dropping the Economic Needs Test requirement;
- allowing LDCs flexibility in undertaking commitments and obligations consistent with their individual development, financial and trade needs, or their administrative and institutional capabilities;
- substantial increase in technical and financial assistance to LDCs for the development, strengthening and diversification of their production and export base, as well as for institution and capacity building;
- the strengthening of the Integrated Framework for Trade-related Technical Assistance, with enhanced funding, to meet the needs of the LDCs, particularly for overcoming their supply side constraints and for the diversification of their export base along with simplification of procedures to improve access to financial resources;
- the exemption of least-developed country exports from antidumping, countervailing and safeguard measures;
- devising appropriate compensatory and other mechanisms to fully address the erosion of preference margins due to lowering of MFN tariffs;

- expeditious and full implementation of the guidelines for accession of LDCs adopted by the General Council (see page 16);
- developing mechanism to help LDCs address the inherent problems of very small size, land-locked state, remoteness and extreme vulnerability;
- establishing an international mechanism to protect the genetic resources, traditional knowledge and farmers’ rights and ensure non-patentability for all life-forms; and
- a legally sound solution for least-developed countries who due to insufficient or low manufacturing capacity face difficulties in making effective use of compulsory licensing, in accordance with the Doha Declaration on TRIPs and Public Health without restricting coverage of diseases.

The Dhaka Declaration also calls for the fast-track elimination of developed countries’ agricultural export subsidies for products of export interest to LDCs, as well as substantial reductions in trade-distorting export and production support measures for such products.

For non-agricultural products, LDCs seek not only duty- and quota- free access to developed country markets, but also “realistic, flexible and simplified rules of origin,” which take into account their industrial capacity. To ensure that market access is not nullified by non-tariff measures, “developed and developing countries shall immediately impose moratorium on anti-dumping measures, and safeguard measures, against LDCs. There must also be a moratorium on imposition of other contingency measures on products from LDCs.” In addition, while LDCs should not be required to undertake tariff reductions, they should be given “maximum credit” for unilateral liberalisation.

With regard to the rules negotiations, the Declaration affirms that “subsidies required for development, diversification and upgrading infant industries and in particular industries with substantial poverty alleviation potential in the least developed countries shall be treated as non-actionable subsidy,” and that export subsidies applied by LDCs “shall be exempted from export competitiveness thresholds.”

On intellectual property issues, LDC ministers stated that the review process of TRIPs Article 27.3(b) should clarify that plants, animals and parts of plants and animals, including gene sequences and biological processes for the production of plants, animals and their parts must not be granted patents. In addition, Members “shall ensure” that the TRIPs Agreement is fully compatible with the provisions of the Convention on Biological Diversity and with the International Treaty on Plant Genetic Resources for Food and Agriculture. The protection of geographical indications “shall be extended to products of commercial interest to LDCs other than wines and spirits.”

The trade ministers further stated that negotiations on the Singapore issues would be premature. They called for the relevant bodies to continue their work including, *inter alia*, studies on:

- whether and how any multilateral investment agreement would facilitate flows of FDI or improve its quality in LDCs.
- ways in which possible international agreements on competition policy might apply to developing countries, including through preferential or differential treatment; and
- the depth and breadth of any possible agreement on transparency in government procurement, and how it would affect LDCs.