

**4th Informal Quarterly Meeting of
the South Asian Geneva Mission Delegates
at CUTS Geneva Resource Centre, 9 December 2009**

Short Note on the 7th Ministerial Conference of the World Trade Organization

The 4th informal quarterly meeting of South Asian Geneva Missions delegates is taking place against the backdrop of the 7th Session of the WTO Ministerial Conference (MC), held in Geneva, Switzerland from 30 November till 2 December 2009. As agreed in the 3rd quarterly meeting of South Asian Geneva Missions delegates, held on 15 September, 2009, the 4th quarterly meeting on 9 December 2009 is dedicated to the discussion of issues of interest to South Asian countries raised by these countries in the just-concluded WTO MC. This short note provides a summary of the points made by the South Asian countries in the WTO MC plenary, in the context of the statements by the Chair of the MC and the DG WTO, particularly the Concluding Summary of the Chair. This should facilitate the discussion among South Asian Geneva Missions delegates in the 4th quarterly meeting.

Context

As the DG WTO mentioned in his concluding remarks to the 7th WTO MC, the surprise this time was that there was no surprise. The Chair of the MC stated in his opening statement that the purpose of this MC was "... to undertake a political review of the WTO's work and to provide guidelines for how we want to conduct our work in the future." Hence ministers held wide-ranging discussions, offered their insights and suggestions for the WTO including regarding the DDA, and reiterated their commitment to a strong and credible multilateral trading system.

Main Points of South Asian Statements to the Plenary and Relevant Parts of Chair's Concluding Summary

South Asian countries took active part in these deliberations. All six WTO Members from South Asia (Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka) and one of the two acceding South Asian countries (Afghanistan) made statements. These statements in the plenary covered a number of issues some of which are summarised below.

Global Crisis

Almost all of them referred to the global economic crisis and the positive role that the WTO has played in safeguarding against protectionism in these difficult times. Some of them also referred to the food and energy crisis and affirmed that a strong and rule-based MTS is needed to face the multiple challenges. Two themes emerged from these statements. One, that LDCs are at a special disadvantage and hence need enhanced assistance, and two, that all should work together to design a global finance and economic architecture that works for all.

Chair Concluding Summary referred to such statements by indicating that “... The WTO needs to come out of the crisis strengthened.”

LDC Issues, and Preferences

South Asian LDC countries presented a forceful argument regarding problems faced by LDCs and offered several suggestions. These included:

- LDCs are suffering from multiple shocks and the credibility of the MTS depends on delivering on promises (Nepal).
- In order to ensure food security of the LDCs, restrictions should not be imposed on export of food grains to LDCs (Bangladesh).
- Maldives will be graduated from the status of an LDC by the end of 2010 which can put an end to virtually all its exports to the main destination Europe due to loss of preferences. Development partners were requested for continued market access preferences and trade-related capacity building assistance for facilitating a smooth transition towards graduation (Maldives).
- Low-income countries are dependent upon GSP preferences and Sri Lanka has benefitted from such schemes, particularly after 2005. These schemes should not be used to achieve foreign policy objectives and should be shielded from the deep tariff cuts that may result from DDA (Sri Lanka).

Chair Concluding Summary recognized the LDC-specific issues and mentioned “**LDC-specific issues** were underlined as needing particular attention, including Duty-Free Quota-Free market access, cotton, and the LDC Waiver for Services. The particular needs of **Small and Vulnerable Economies** were also emphasized.”

Accessions

Afghanistan informed regarding the considerable efforts it has made to accede to the WTO including the approval of the WTO Accession Action Plan by the cabinet. It believes in the economic opportunities that WTO Membership will provide and is using the accession process as an opportunity to adjust and modernize its related procedures and infrastructure. It hoped that the WTO Accession Working Party will be established by early next year.

The Chair Concluding Summary mentioned that “There was strong convergence on the importance of **accessions** in broadening and strengthening the WTO and on the importance of technical assistance at all stages of the accession process. Many stressed the need to adhere to the 2002 guidelines for LDC accession. ...”

Aid for Trade and EIF

South Asian countries made many points regarding the need for TACB and AfT, including the following:

- Trade capacity building and AfT is particularly important for acceding countries (Afghanistan).

- Sustaining the benefits of EIF to the graduating countries is needed and AfT package should be formulated in accordance with the situation of the beneficiary countries (Maldives).
- AfT should be in addition to the ODA and should be delivered in a sustained and predictable manner (Nepal).
- Sri Lanka needs enhanced AfT for infrastructure development and to deal with trade adjustment issues (Sri Lanka).

Regarding this issue, Chair Concluding Summary mentioned that “... **Capacity-building** was seen as vital to addressing supply-side constraints. The importance of keeping up the momentum of **Aid for Trade**, including the Enhanced Integrated Framework, was stressed. ...”

DDA

This issue got the most attention of many South Asian countries as evidenced by their statements. They made a number of points regarding both the substance and process of DDA. Following are noteworthy points in this respect:

- DDA should keep the interests of LDCs at the front (Afghanistan).
- Core principle of S&D can be operationalized by granting all LDCs more preferential treatment than the non-LDCs. There should be early harvest on DFQF market access, LDC services waiver, and cotton. There must be clarity on DFQF, both on product coverage of 97% and the phasing-in of the remaining 3% well before the conclusion of the DDA. WTO Members should work towards a balanced outcome in addressing disproportionately affected countries (DAC) as Bangladesh is one of the most disproportionately affected country (Bangladesh).
- Major issues like DFQF, SSM, cotton, preference erosion, fisheries subsidies, Mode 4 access in services, and TRIPS-CBD relationship need to be dealt with sympathetically. In the process of bridging gaps, we cannot go back on the broad understandings of the past. Demands for additional market access in developing countries have to be based on development mandate. The multilateral process which guarantees transparency and inclusivity has to be the basic mode of negotiations (India).
- The early conclusion of DDA should be based on the interests, priorities and concerns of LDCs which have been articulated in the LDC and LLDC Ministerial Declarations. Early harvest should include: DFQF in agriculture and NAMA with simple and transparent rules of origin, LDC waiver in services, trade facilitation, S&D, and an amendment in the TRIPS agreement for mandatory disclosure in patent applications of the source of genetic material and traditional knowledge (Nepal).
- DDA must be concluded not later than 2010 and even earlier. Indecision or stagnation now is not an option. Opportunity should not be allowed to slip. Uncertainty surrounding DDA can be overcome by bringing clarity. Remaining gaps can be bridged. The decisions since Doha regarding the LDCs, developing countries, and

developed countries should be owned and the process should move forward on the basis of these decisions (Pakistan).

- Early conclusion of DDA with concrete results is needed. Concerns of NFIDCs and SVEs should be addressed. Developing countries need flexibilities to deal with food security issues (Sri Lanka).

Chair Concluding Summary also included many DDA-related issues. These are: “... The **development dimension** should remain central to the Round and particular attention should be paid to issues of importance to developing countries. ... Ministers reaffirmed the need to conclude the Round in 2010 and for a stock-taking exercise to take place in the first quarter of next year. There was support for asking Senior Officials to continue to work to map the road towards that point. ... There was also support for not attempting to reopen stabilized texts. It was pointed out that while priority is being given to Agriculture and NAMA, it is important to advance on other areas on the agenda, including Services, Rules and Trade Facilitation.”

Improving Functioning of the WTO

One South Asian country referred to its proposal to the General Council to improve the functioning and efficiency of the WTO as a rules-based system and noted the support of the overwhelming majority of Members while looking forward to working with Members to operationalize the ideas (India).

Chair Concluding Summary included this issue by stating that “Ministers had a wide-ranging discussion on enhancing the institutional effectiveness of the WTO. ... There was substantial convergence on the need to improve notifications as well as data collection, analysis and dissemination. High value continues to be placed by members on **transparency and inclusiveness** in the WTO. Improving the institution's effectiveness should not compromise this principle.”