

**PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE**

**EC Approach to Duty-Free Market Access for the Least-Developed Countries**

*Communication from the European Communities*

The following communication, dated 28 May 1999, has been received from the Permanent Delegation of the European Commission.

1. A new round should provide benefits to developing countries and assist their integration in the multilateral trading system, via enhanced trade and investment flows. The specific problems of least-developed countries (LDCs) should be given particular attention. This was already the case in GATT and now in WTO rules. In this context, significant efforts were focused on LDCs during the two previous WTO Ministerial Conferences. We must ensure that the momentum is maintained in the next Ministerial and beyond.
2. Improved market access is a cornerstone of any effective policy to integrate the least-developed countries in the world trading system and ensure that they have better opportunities to share in the benefits accruing from liberalization. The European Union is convinced that up front action is needed in favour of the LDCs market access.
3. The EC has committed itself to offering tariff-free treatment for essentially all products from LDCs already at the occasion of the High-Level Meeting on Integrated Initiatives for Least-Developed Countries in October 1997. We have at many occasions in the WTO called on other developed countries to match the openness of our market and offer comparable market access to the products of the least-developed countries. The EC has also appealed to the most advanced developing countries to consider making a contribution. At the High-Level Symposium on Trade and Development in March 1999, Sir Leon Brittan, the EC Vice-President responsible for trade policy, has renewed this invitation to all industrialized countries and has specified that a commitment in this sense should be endorsed already at Seattle.
4. The European Community thereby proposes that WTO Ministers meeting at Seattle at the end of November 1999 for the third WTO Ministerial Conference enter into the commitment to ensure duty-free market access no later than the end of the new round of negotiations for essentially all products exported by the least-developed countries.

Most advanced developing countries should pledge to contribute as well. They should consider making a contribution to enhance the market access opportunities of the least-developed countries, in particular by building on the considerable autonomous liberalization undertaken by many developing countries.

5. The EC proposal, if adopted by WTO Members, would in itself be a major contribution to ensuring preferential market access for the poorest countries. In fact, WTO findings show that “the bulk of LDCs' exports go to 23 main markets, mainly developed country markets; 60 per cent to the European Union, Japan and the United States. Thirty four per cent of exports flow to emerging markets in Latin America, East and South East Asia, and Southern Africa”.<sup>1</sup>

6. The commitment taken in Seattle could be implemented via autonomous measures, in particular under GSP schemes, or via bilateral and/or multilateral regimes, and consideration should be given to bindings, when appropriate.

7. It would be implemented progressively, but within a target date, coinciding with the end of the round of negotiations, that is three years from its launching. The final elimination of duties on products exported by the LDCs would in particular enhance their opportunities to gain share of the markets for those products where they are more competitive.

8. Ministers would agree this measure of liberalization already in Seattle at the launching of a new round. In this sense, rather than being the result of an exchange of concessions, the commitment would be based on the principle of the special and differentiated treatment as embodied in Part IV of the GATT.

9. This proposal for duty-free market access for the LDCs would not, in any way, be the only proposal that the EC intends to make to address issues of interest for the developing-country Members of the WTO. The EC will submit specific proposals addressing other elements, i.e. the supply-side constraints of developing countries, under discussion in the preparatory process for the third Ministerial meeting of Seattle.

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<sup>1</sup> WTO document WT/COMTD/LDC/W/11/Rev.1 of 14 December 1998.