

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Proposal Concerning the Least-Developed Countries (LDCs)

Communication from Djibouti

The following communication, dated 14 September 1999, has been received from the Permanent Mission of Djibouti.

For the first WTO Ministerial Conference, in December 1996, Members met in Singapore.

In May 1998, Ministers met in Geneva for the second Ministerial Conference and also to celebrate the 50th Anniversary of the GATT.

In November-December 1999, they will meet again for the third Ministerial Conference in Seattle (United States).

The central purpose of these ministerial meetings is to strengthen the WTO's role as a forum for negotiations, pursuing the liberalization of trade, and undertaking a review and assessment of trade policy at multilateral level, in accordance with Article IV of the Agreement Establishing the WTO.

One of the priority tasks entrusted to these conferences would therefore be to pursue a common effort aimed at better integrating LDCs into the trading system and enabling them to take advantage of its benefits through technical assistance and preferential access for their products.

According to the decisions of the Uruguay Round in December 1993, and the Ministerial Declarations of Singapore in 1996 and Geneva in 1998, the least-developed countries have not always reaped the benefits of the rule-based multilateral trading system. The situation continues to worsen in the 48 least-developed countries which account for a sixth of the world's population.

A. TECHNICAL ASSISTANCE

The fundamental objectives of the technical cooperation activities organized by the WTO Secretariat include in particular those of helping the LDCs to understand and implement the agreed rules relating to international trade, ensuring that they participate more fully in the multilateral trading system and producing a sustainable structural impact by directing all means towards human resource development and institutional capacity building.

This is an area of capital importance, as shown by the relevant provisions of the WTO Agreements and as confirmed by Ministers at previous conferences.

If these countries are to exercise their rights, fulfill their obligations under the WTO Agreements and become fully integrated into the multilateral system, Ministers must reaffirm the responsibility for funding technical cooperation activities. It is proposed that the Conference should decide that WTO technical assistance should be funded partly from the regular budget as well as from specific additional resources.

We are all well aware that the WTO's present technical assistance resources are woefully inadequate compared with needs and depend on the generosity of donors. We urge that the WTO technical assistance programme be strengthened, as is appropriate, from the Organization's budget.

This would rekindle the success of future WTO activities commensurate with the need for a valuable tool to achieve better integration by maximizing the programme's possibilities, and brighten development prospects for Members and particularly the LDCs.

B. MARKET ACCESS

The LDCs' share of world exports has steadily diminished, falling from 1.4 per cent in the mid-1960s to barely 0.03 per cent in 1980 to 1999.

Most least-developed countries have a weak export capacity. Furthermore, their food supply is usually inadequate and they often lack the start-up capacity that would enable them to exploit their natural resources. The exploitation of their natural resources has sometimes been possible at the cost of unfavourable profit sharing agreements with transnational cooperations.

These extractive activities contribute very little in the way of value added to products, do not give rise to related industries, and often lead to environmental deterioration.

Increasing the LDCs' export capacity and ensuring better access for their products to foreign markets would scarcely destabilize production in importing countries.

In the context of the current trade negotiations, Members should apply special and differential treatment in favour of least-developed countries in order to facilitate their access to foreign markets.

In Seattle, Ministers should undertake to grant duty-free market access for all products originating in LDCs as from 1 January 2000.

The developed countries and more advanced developing countries should officially undertake commitments towards the LDCs.

Taking such a decision at Seattle would clearly represent a major step towards granting preferential access to least-developed countries and provide a tangible illustration of the WTO's desire to help them integrate into the system.

C. OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

Another cause of the worsening poverty in least-developed countries is the recent decline in ODA, with the result that investment in socioeconomic infrastructure critically needed by many of these countries has not been made. The transfer of technology and necessary ODA resources has been non-existent in the 1990s for establishing vital infrastructure – roads, ports, energy, human resources etc. – in the least-developed countries as a matter of urgency. Despite their undertakings, almost all developed countries have failed to live up to the objective of allocating 0.7 per cent of their GNP to official development aid. In these circumstances, it is vain to say that least-developed countries can make up for the decline in ODA thanks to the "development" of trade.

D. CANDIDATE MEMBERS

The Secretariat should provide the factual and legal information to help least-developed countries that are candidates for accession to prepare their foreign trade memorandum as well as their schedules of concessions relating to goods and their commitments on services. The technical assistance to these countries to carry out their WTO accession procedures is useful, and should be strengthened by explaining the proper steps to be taken, while taking account of their specific features and development capacity.
