

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Implementation of Existing Agreements and Decisions

GATT 1994

Communication from Cuba

The following communication, dated 9 November 1999, has been received from the Permanent Mission of Cuba.

Introduction

1. The GATT provisions designed to favour developing countries were extended to the WTO in Part IV of GATT 1994, which contains three articles introduced in 1965, in which the industrialized countries are called upon to make a systematic endeavour to help developing Members in their trade conditions and not to expect reciprocity for concessions made to these countries.
2. A second measure, agreed on at the end of the Tokyo Round in 1979 and which is normally called the Enabling Clause, serves as the permanent legal basis for market access concessions made by the developed countries to developing countries in the context of the Generalized System of Preferences (GSP).
3. Under special provisions contained in the various Uruguay Round agreements and decisions, these countries, especially the least-developed countries, are granted longer transitional periods to adapt to the WTO provisions and greater flexibility in applying the agreements signed, and the developed countries are urged to speed up the application of market access concessions affecting goods of export interest to the developing countries, as well as to provide technical assistance.
4. In the Singapore Ministerial Declaration, the Ministers attached great priority to full and effective implementation of the WTO Agreement consistently with the objective of trade liberalization. Furthermore, at the Geneva Ministerial Conference, in May 1998, countries recognized that full integration in the multilateral trading system could be achieved only by improved market access, particularly for those products of interest to developing countries, and that putting an end to the marginalization of these economies in the world economy meant eliminating trade barriers in agriculture and textiles.
5. Despite the recognition by WTO Members of the problems posed by the process of trade liberalization for developing countries, the multilateral trading system has not measured the true dimension of the difficulties that developing countries face in applying the liberalization commitments undertaken, which are much greater and more complicated for them despite the special and differential treatment provisions contained in some agreements.

6. The Third Ministerial Conference must take account of the fact that the developing countries have been called to a second round of trade negotiations, which will entail further greater obligations in the traditional sectors and in new ones being regulated, without the Uruguay Round agreements having been effectively implemented in sensitive sectors for developing countries, such as reduction of subsidies and domestic support and administration of quotas in the agricultural sector, as well as the establishment of time-frames for bringing trade in textiles into line with the WTO rules.

7. These limitations of the system in regard to the implementation of the agreements reveal an imbalance in the benefits derived from participation in the multilateral trading system, for the guarantees of greater advantages to the stronger economies are such that the poor countries see their hopes disappear of becoming integrated into an international market that is increasingly competitive and requires compliance with technical, environmental and other rules that are erected into new forms of trade barriers.

8. Consequently, in particular the least-developed countries and the smaller, vulnerable economies run a serious risk of marginalization which can be averted only if the system is based on the criterion of the sustainable development of those economies, responds to the need for preferential conditions for market access and acknowledges in its rules the historical imbalance in the levels of development between developed and developing countries.

Proposals

9. In view of the enormous need to accelerate the process of integration of the developing countries in the international economy, Members must recognize the need to establish an institutional body to follow up and guarantee effective implementation of the special and differential treatment commitments in favour of developing countries contained in the WTO Agreements, pursuant to the provisions of paragraphs 8 and 9(a)(i) of the Geneva Ministerial Declaration.

10. In this respect, Members must confirm the need for fulfilment of the support programme for developing countries that are net food-importers, the integration of textiles in the WTO, tariff reduction on products of interest to developing countries and the extension, for some agreements, of the transitional periods allowed for these countries in fulfilling their obligations.

11. For the purposes of the forthcoming trade negotiations, arrangements must be made to extend special treatment to new commitments or agreements adopted by Members. The new agreements must include provisions which take account of special and differential treatment for developing countries, by *inter alia*, granting deferred periods to enable them to fulfill their obligations, without this constituting a brake on development and a further burden for these countries.

12. Among other actions to strengthen the application of special and differential treatment, the Committee on Trade and Development should conduct studies on extending special and differential treatment provisions to the services sector.
