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DRAFT REPORT OF THE TRADE AND DEVELOPMENT BOARD ON ITS FIFTY-FIRST SESSION

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Speakers:
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Director of the Division of International Trade in Goods and Services and Commodities
Director General of WTO
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European Community
Mexico for the Latin American and Caribbean Group

Pakistan for the Asian Group and China
Nigeria for the African Group
Benin for the LDCs
Egypt
India
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Note for delegations

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments to statements by individual delegations should be communicated by Tuesday, 19 October 2004 at the latest, to:
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REVIEW OF DEVELOPMENTS AND ISSUES IN THE POST-DOHA WORK PROGRAMME OF PARTICULAR CONCERN TO DEVELOPING COUNTRIES

(Agenda item 6)

1. For its consideration of this item, the Board had before it the following documentation:

“Review of developments and issues in the post-Doha work programme of particular concern to developing countries: Note by the UNCTAD secretariat” (TD/B/51/4);

“Assuring development gains from the international trading system and trade negotiations: Background note by the UNCTAD secretariat” (TD/397);

“Assuring development gains from the international trading system and trade negotiations–Implications of ATC termination on 31 December 2004: Note by the UNCTAD secretariat” (TD/B/51/CRP.1).

2. The Officer-in-Charge of UNCTAD said that, since 2002, as part of its consensus building objective, the Board had conducted an annual review of developments and issues in the post-Doha work programme of particular concern to developing countries. These intergovernmental deliberations had brought to bear on the Doha negotiations sustained international attention and a development focus and had facilitated the negotiations. UNCTAD’s commitment to the multilateral trading system had been further reinforced at UNCTAD XI through the São Paulo Consensus and the Spirit of Sao Paulo. It was acknowledged that all countries had a shared interest in the success of the Doha Work Programme, which aimed both at further increasing trading opportunities and reducing barriers to trade amongst nations and at making the trading system more development-friendly. This would contribute to the objective of upholding and safeguarding an open, equitable, rule-based, predictable and non-discriminatory multilateral trading system, as provided in the Millennium Declaration and the Monterrey Consensus and further reaffirmed by the São Paulo Consensus. UNCTAD XI had also emphasized that the integration of developing countries into the multilateral trading system must be beneficial in terms of ensuring that development gains actually accrued to developing countries.

3. The Director of the Division of International Trade in Goods and Services and Commodities said that the twin mandate of UNCTAD vis-à-vis the WTO negotiations consisted of, firstly, upholding and safeguarding an open, rule-based, non-discriminatory, predictable and equitable multilateral trading system, and secondly, assuring development gains from the international trading system and trade negotiations and thus helping the attainment of the MDGs. UNCTAD would continue to assist Member States in making the Doha negotiations, and the international trading system, vehicles of development solidarity. The insights and political will generated by the UNCTAD XI process had impacted on the Doha negotiations. The lessons learnt from Cancún—in terms of both process and substance—needed to be addressed before negotiations could be rescued from a dead-end. The WTO July Package was a positive development as it signalled that the Doha negotiations were back on track. It also presented challenges and opportunities to ensure that the negotiations were on the right development track in respect of agriculture, non-agricultural market access, services, trade facilitation, and special and differential treatment. Multilateral trade negotiations would need to deliver a modicum of development gains. Given the complex negotiating...
environment, developing countries needed to evaluate the overall impact of both positive and
defensive trade strategies in terms of a “responsive agenda” in multilateral and regional trade
negotiations. Such an agenda should ensure a balance across the entire range of issues and
sectors involved in the negotiations. The issue of the implementation capacity constraints of
developing countries and their inability to meet adjustment costs arising from trade
agreements could no longer be treated as a minor, short-term side-effect of good medicine.
Multilateral rules should therefore take into account developing countries’ capacity for
implementation, as well as providing for additional international support to take care of
adjustment costs. The importance of empowering developing countries in terms of
developing the necessary trade-related infrastructure, not only to comply with obligations but
also to make use of rights and opportunities, through deeper capacity building support had
been recognized.

4. The ending of 40 years of discriminatory protectionism against developing countries’
exports of textiles and clothing on 31 December 2004 would be a landmark. There should be
no attempt to replace quotas with other trade protection instruments. All countries would be
called upon to make the necessary efforts to maintain or increase their competitiveness. LDCs
and small countries dependent on textiles and clothing exports would need support through
better preferential access and provision of appropriate adjustment resources. Finally,
UNCTAD provided a strategic overview of where the Doha negotiations stood in the larger
universe of the international trading system and in the totality of trade negotiations, including
regional trade agreements developed on a North-North, North-South, and South-South basis.

5. The Director General of WTO said that the Trade and Development Board’s review
provided an appropriate opportunity to assess the progress made on the Doha agenda and
look forward to what lay ahead. Integrating developing countries into the trading system was
one of the foremost challenges facing the WTO today. The adoption of the July Package by
the WTO had put the Doha agenda negotiations back on track. Framework agreements were
now in place for the negotiations on agriculture – including cotton – and non-agricultural
market access. Members had also agreed to a package on development issues and taken a
decision to begin negotiations on trade facilitation. The July Decision had been possible due
to the sustained efforts made by all WTO Members in ironing out differences to arrive at a
consensus decision. At the same time, it was important to keep in mind that the Decision did
not herald the end of the Round; it provided a launching pad for further work that would
enable Members to sign off on the Doha Round in due course. Agriculture was, and would
remain, a key issue for all, but in particular for many developing countries. For the first time,
Members had agreed to eliminate all forms of agricultural export subsidies by a date to be
determined through negotiations. They had also taken on serious commitments to
substantially reduce and otherwise discipline trade-distorting domestic support in agriculture.
As part of this agreement, Members had achieved a breakthrough in cotton, which was so
important to cotton farmers in developing countries, particularly the least developed countries
in West Africa. While the negotiations on non-agricultural market access and services were
very important and had a number of elements of particular concern to developing countries, it
was the language on trade facilitation that best reflected the desire of WTO Members not
only to take into account the constraints faced by developing countries, but also to address
their specific concerns relating to their implementation capacities and investment means. At
the same time, Members had committed themselves to adequately ensuring support for
technical assistance activities during the negotiations. Finally, as regards development issues,
prominence was given in the Decision to the mandate of making existing special and
differential treatment more precise, effective and operational by a deadline of July 2005.
Members had also agreed that, in the ongoing market access negotiations, special attention
would be given to the specific trade and development related needs and concerns of developing countries, such as capacity constraints, preference erosion, food security and rural development. The coming months would be crucial, and WTO Members would not only need to demonstrate the requisite political will and flexibility, but would also have to be prepared to work on the basis of realistic ambitions to achieve the goals set out in the Doha agenda.

6. The representative of Brazil, speaking on behalf of the Group of 77 and China, reiterated the importance of the São Paulo consensus, as it reaffirmed the importance of addressing the significant asymmetries between developed and developing countries; the importance of improving domestic supply capacity in developing countries to enable them to strengthen their participation in dynamic global value chains; the need for legitimate policy space for developing countries; and the need for increased and effective market access and entry conditions in agriculture, manufactures and services exports of developing countries. With respect to the July Package of the WTO, this was only the beginning of a new phase, and it was important to ensure that the development promises of Doha were effectively reflected in both market access and rules; the development benchmarks to be developed by UNCTAD would be useful in that connection. The post-July-Package negotiations should ensure an open, transparent, inclusive, democratic and more orderly process, as process and substance were inseparable. They should also address the specific concerns of developing countries, for example in respect of erosion of preferences.

7. Resolving the implementation-related issues of developing countries and the LDCs and fulfilling the Doha ministerial mandate on special and differential treatment (SDT) within the agreed timelines would be the litmus test in determining whether development was central in the Doha work programme, and these concerns should be addressed before developing countries were required to accept new obligations. Additionally, technical assistance and capacity building should be provided in difficult areas such as the Agreement on Technical Barriers to Trade and the Agreement on Sanitary and Phytosanitary Measures. With respect to the Doha work programme, agriculture remained the most important area for the Group of 77 and China. The Group looked for an expeditious and credible deadline for the elimination of export subsidies; substantial reductions in trade-distorting domestic subsidies; substantial improvements in market access; and operationally effective SDT provisions in all three pillars of the reform programme that took into account food security concerns of developing countries and the LDCs and the concerns of the net food-importing developing countries. The concerns of cotton producers and the marginalization of the LDCs should also be addressed. With respect to NAMA, the details of the Framework needed to be further negotiated, and SDT for developing countries needed to be further defined. The Group of 77 and China also expressed its concern with respect to the negative effects on some developing countries and LDCs of the impending elimination of quotas on textile and clothing products. On services, the Group of 77 and China reiterated the importance of meaningful and effective commitments, including in Mode 4 in all levels of skilled and unskilled labour, while in the area of regional trade agreements (RTAs), the Group attached importance to clarifying the need for coherence between RTAs and the multilateral trading system. On South-South trade and the new geography, the Group of 77 and China reaffirmed its commitment to the re-launched GSTP. The Group also reiterated the importance of accelerating the accession process of all developing countries, in particular the LDCs, to the WTO – without political impediments – through the effective and faithful application of the WTO guidelines on accession of the LDCs on terms commensurate with their level of development.
8. The representative of the European Community said that the WTO framework Agreement of 1 August had put the Doha round back on track. It set out the parameters for negotiations on agriculture, market access for non-agricultural products, trade facilitation, development issues and services, and identified the next WTO Ministerial Conference (December 2005) as the next major staging post in the negotiations. Countries should aim to achieve maximum progress by then so that the round could be concluded as soon as possible thereafter and in any event during 2006. That implied comprehensive progress across all areas under negotiation within the single undertaking. The Framework Agreement renewed members’ commitment to capacity building and trade-related technical assistance, to giving special attention to LDCs’ needs, to reviewing and strengthening special and differential treatment for developing countries, and to addressing members' implementation-related concerns.

9. Negotiations since Cancún had demonstrated the strength and viability of new alliances among WTO members in which developing countries had actively participated, including collaboration with developed countries on issues of common interest. The framework on agriculture, in the attainment of which the EC had been instrumental, encompassed the elimination of export subsidies and a substantial reduction in trade-distorting domestic support. The framework also responded to African countries’ request to give special attention to the cotton sector, promising even more ambitious results. The EC’s own ongoing domestic process of CAP reform would now be consolidated into an international framework. On non-agricultural market access, the WTO members had agreed to pursue negotiations on the basis of a set of precise guidelines incorporating an ambitious non-linear formula, implying deeper cuts for higher tariffs, a sectoral component, and orientations for negotiations on non-tariff barriers. At the same time, the framework provided for special and differential treatment that went beyond simply envisaging longer implementation periods. LDCs would be exempted from any tariff reduction, while both developed and more advanced developing countries were again called upon to provide tariff and quota free market access for LDC exports. On services, the July Framework gave a boost to the ongoing negotiations by setting May 2005 as the date for members to table initial or improved offers.

10. On development, the July Framework reaffirmed the importance of special and differential treatment, implementation issues and technical assistance, in addition to many development-related aspects treated in more detail in individual parts of the Framework. Regrettably, however, the need to respond in a horizontal manner to the particular constraints and challenges faced by those weaker and more vulnerable developing countries that were not among the LDCs had not been fully taken on board in the Framework, leaving the appropriate solutions still to be negotiated. On trade facilitation, the agreement to launch negotiations also set out the broad parameters for the exercise, and addressed concerns raised by some developing countries on technical assistance, support for capacity building, implementation aspects, timing of entry into force of commitments, and others.

11. The EC would respect the deadlines set for the last phase of quota elimination under the Agreement on Textiles and Clothing. It also took seriously the concerns raised by developing countries that doubted their own ability to compete in a world without quotas, and thus provided preferential access to the EU market that partly offset those countries’ competitive disadvantages. Also, the EC channeled significant amounts of assistance and aid to projects aimed at improving the competitiveness of this sector in recipient countries. The potential benefits of trade in the sector would be more widely distributed if other, more
advanced developing countries were to provide equivalent preferential access, especially to the LDCs.

12. The representative of Mexico, speaking on behalf of the Latin American and Caribbean Group, reiterated the Group’s commitment to an open, rule-based, fair, predictable and non-discriminatory multilateral trading system and to the success of the Doha Work Programme (DWP). The agreements reached in the Monterrey Consensus, the São Paulo Consensus and the 1 August decision of the WTO General Council adequately reflected the basic commitments that could ensure that multilateral trade negotiations would provide benefits to all participants, in particular to developing countries. Those agreements demonstrated that the development dimension could not, and should not, be absent from trade negotiation processes, and reflected countries’ clear conviction about the benefits of the multilateral trading system under the WTO. His Group was confident that the DWP would follow a constructive path taking account of the needs of all concerned, in particular developing countries.

13. Trade was not and end in itself but a means for economic growth and development and for fighting against poverty. Each country was responsible for its own economic and social development, but achieving that development would only be possible in a favourable international environment that gave priority to the needs and interests of developing countries. In this context, development aid commitments must be completely fulfilled, otherwise the principle of shared responsibility, on which international development agreements and the fight against poverty rested, would be reduced to simple rhetoric. The DWP could only be optimally developed to the extent that basic issues were addressed from this perspective. UNCTAD had a significant role to play in the process, in particular through technical assistance and capacity building programmes and through assessment of alternatives and the implications of sensitive issues in the agenda. As reiterated in the São Paulo Consensus, UNCTAD had a mandate to ensure that adequate human and financial resources were available to address technical assistance and capacity building needs in the present phase of negotiations, and UNCTAD activities and programmes responding to the increasing needs of countries in the Latin American and Caribbean region should be expanded.

14. Agriculture was one of the key issues for a successful conclusion of the DWP. Both the São Paulo Consensus and the 1 August WTO Agreement recognized that distortions of agricultural trade should be eliminated or substantially reduced, and that development concerns should be an essential part of negotiations. Satisfactory results for all parties could be achieved if that perspective was honoured. His Group recognized the difficulties being confronted in the services negotiations, as manifested by the limited number of initial offers and by the fact that those tabled to date did not address the interests of developing countries in terms of sectors and modes of delivery. This was particularly evident regarding Mode 4. Furthermore, the limited results obtained in rules negotiations, in particular on domestic regulation, were a matter of concern. The time frame established for fulfilment of the 1 August decision must be duly respected, and the developmental objectives of the round should be clearly expressed.

15. The representative of Pakistan, speaking on behalf of the Asian Group and China, said that part of the positive energy that had re-energized the Doha Work Programme had been radiated by UNCTAD XI. As regards the Doha Work Programme, the Asian Group and China reiterated the importance of legitimate policy space for developing countries; ensuring coherence between national development objectives of developing countries and the objectives set in bilateral, regional and multilateral trade negotiations; and an early harvest in
terms of the development content so as to restore the confidence of developing countries in the multilateral trading system. In this regard, the term “development” should encompass each and every area of the negotiations. Similarly, the principle of S&D treatment, as well as the principle of less-than-full reciprocity, needed to be operationalized. Agriculture remained the most important area, and the outcome there must respond to the imperatives of ensuring food security, rural development, including modernization of the agricultural sector, and alleviation of rural poverty. The reductions in domestic support should be meaningful and substantial for all products of export interest to developing countries, and there must be stringent criteria for the blue and green boxes to prevent box shifting. A credible date for the elimination of export subsidies would be crucial too. Similarly, the market access formula that was agreed to should effectively eliminate tariff peaks and tariff escalation in developed countries for products of export interest to developing countries. For NAMA, the Group reiterated the importance of an approach that would result in a fair and equitable outcome that took its developmental concerns on board, since tariff policy was a tool for economic development. The SDT provisions in the current framework text were useful but would need to be strengthened. In services, the Asian Group and China also wanted meaningful market access commitments by its developed country partners in sectors of export interest to the Group. In this regard, the asymmetries in the Uruguay Round commitments on mode 4 needed to be corrected. The Group also sought UNCTAD’s assistance in trade facilitation, particularly to enhance its negotiating capacity and the development impact assessment of various policy options. It hoped that the abolition of quotas on textiles and clothing would not result in the introduction of other non-tariff barriers or the use of trade remedy instruments such as anti-dumping or safeguard measures. UNCTAD should continue its work in the area of competition policy and investment, as well as new areas of work identified at São Paulo.

16. The representative of Nigeria, speaking on behalf of the African group, said that, for developing countries, trade was important because of its contribution to economic development. It was not an end in itself, but a means to growth and development. A number of important elements contained in the São Paulo Consensus had a bearing on the ongoing multilateral negotiations, such as the need for policy coherence, the inclusion of policy flexibility for developing countries, the provision of technical assistance and the need for substantial progress on issues of vital importance to developing countries under the Doha Work Programme (DWP). He welcomed the impetus provided to the Doha negotiations by the July Framework and asserted that the needs and interests of developing countries lay at the heart of the DWP. Preference should be given to multilateralism over unilateralism or bilateralism, especially since the latter were more costly and less efficient. Bilateral and regional trade agreements should be building blocks of the international trading system. As the development dimension was at the core of the Doha negotiations, considerations of the July Package should start with the examination of the treatment of development issues, notably special and differential treatment and implementation-related concerns. The latter should be addressed before the expansion of developing countries’ obligations in a new Round.

17. He expressed concern about the ineffective utilization of trade preferences by developing countries due to lack of predictability as well as onerous rules of origin requirements. The inability of most African countries to overcome technical barriers to trade was also compounded by erosion of preferences due to trade liberalization. In accordance with paragraph 86 of the São Paulo Consensus, positive measures should be formulated and implemented to mitigate the adverse impact of the erosion of preferences. Agriculture was a central element in the current negotiations, and he welcomed the progress made in the July Framework. The outcome of the negotiations must be balanced and coherent within and
between the three pillars of agriculture and must provide for flexibilities for developing countries. The issue of cotton also remained an important element of the negotiations. The Agreement on Textiles and Clothing would expire in January 2005, and some African countries might face difficulties in that connection. However, it would be wrong to extend the discriminatory carve-out of the textiles sector from progressive liberalization. He expressed concern about the low participation of African countries in the services negotiations, which was caused by lack of data, and he called for technical assistance to undertake in-depth assessments to identify potentials. UNCTAD’s role and assistance was very welcome for African countries, particularly in the implementation of JITAP. The recent launch of the African Trade Capacity Building programme was particularly welcome. It was crucial for African countries to be kept abreast of the key issues of priority to them in the multilateral trading system and to enhance their understanding of these issues.

18. The representative of **Benin**, speaking on behalf of the **least developed countries**, said that UNCTAD’s review of post-Doha work provided a very useful basis for putting the negotiations and the Doha Round mandate in their exact context. The failure of the Cancún Conference had left wide open the issues of special and differential treatment and flexibilities and improvements in market access for agricultural and non-agricultural products. Accordingly, particular attention should be accorded to these issues in the negotiations, considering the predominant role of agriculture in the economies of LDCs. The capacity of LDCs to produce and export had been further reduced by high tariffs, tariff escalation and peaks, export subsidies, internal support and a number of non-tariff barriers. Taking into account the actual difficulties of the developing countries and LDCs in particular in international trade would improve their participation in international trade and give a veritable impulse for their development. With regard to cotton, four LDC cotton producers were seriously affected by the massive subsidies granted by certain WTO members for the production and export of cotton. The gravity of the situation called for an urgent, equitable and durable solution involving the elimination of the subsidies, which were trade-distortive and against the rules and principles of international trade. Similar structural and asymmetric constraints existed also in market access for non-agricultural goods. If not carried out carefully, the dismantling of tariffs envisaged for trade in non-agricultural goods would result in strong tariff erosion, and appropriate mechanisms would be required to tackle the losses of revenue, which might be grave for single-commodity exporters.

19. The LDCs welcomed the adoption in the WTO of the modalities for special treatment for least-developed country members in the negotiations on trade in services. As recognized in the Dhaka Declaration, the services sector was the most dynamic one in the growth of the GNP of numerous LDCs, playing also an essential role in the realization of socio-economic development. The multilateral, regional and bilateral development partners of the LDCs were requested, as a matter of priority, to provide the necessary technical assistance to reinforce the LDCs’ national services capacities, as well as their institutional and human capacities, including through the reform of regulatory frameworks. Technical cooperation and capacity building were essential elements of the development dimension in the multilateral trading system, and trade-related technical assistance was indispensable in helping the LDCs to increase their production capacities for trade and ensure their effective participation in multilateral trade negotiations.

20. The adoption of the WTO decision related to the implementation of Article 6 of the Doha Declaration on TRIPs and public health was a major act in terms of seeking appropriate solutions for the grave public health problems confronted by developing and especially least developed and African countries. As regards the Singapore issues, the issues of investment,
competition, trade facilitation and transparency in government procurement were important in respect of promoting international trade, but the various country-specific and issue-specific implications would have to be identified and clarified. Finally, he hoped that the Guidelines for LDC Accession would be applied effectively in the accession of further LDCs to WTO.

21. The representative of Egypt said that the multilateral trading system should be beneficial for all countries, but that each country should be able to integrate itself into the system at its own pace. There was a link between the consensus reached in São Paulo at UNCTAD XI on key trade and development issues and the conclusion of the WTO July package. UNCTAD XI had confirmed UNCTAD’s role as a consensus-building forum, a think-tank, and an organization that put forward original and innovative ideas in areas of international trade and development. The São Paulo Consensus was of great relevance to developing countries in two particular areas, namely policy space and corporate responsibility. While the new trade geography was taking shape, which confirmed that countries might change their strategic position within international trade and assume more dynamic roles, trade negotiations still represented a major challenge for most developing countries due to the complexity of the issues at stake. UNCTAD had a key role and a unique mandate in supporting developing countries during the process and exploring the development dimension of the negotiations through intergovernmental deliberations, analysis and technical cooperation activities.

22. The representative of India said that the success of UNCTAD XI had sent a positive impulse to the WTO negotiations in progress towards the July Framework, which provided another opportunity to make the Doha round truly a “development round”. India, which had registered impressive rates of growth, was still facing the challenge of ensuring that these benefits percolated to the poor, particularly in the rural areas. 650 million people in India were dependent solely on agriculture, and their development was affected by food security and livelihood concerns. Thus, rural development was a priority. Agriculture and agricultural subsidies had been a stumbling block in the WTO negotiations. Rectifying the existing artificial situation and levelling the playing field was key to removing asymmetries in international trade. In addition, the Doha round was about development and was intended to address the concerns of developing countries, including improved market access, price stabilization for exports, reduction of market entry barriers for their goods and services exports, special and differential treatment, and policy space to deal with sensitive products. In services negotiations, a balance of benefits could accrue to the extent that services providers from developing countries were allowed to supply services either from remote locations or through temporary movement of natural persons. All countries would gain from the removal of tariff quotas affecting textiles and clothing products and their full integration under WTO disciplines. However, the imminent end of quotas had already encouraged protection-seeking interests to call for anti-dumping actions to preserve their positions in the market. Other measures had also become instruments of protection, including rules of origin, access to distribution channels, and labour and environmental considerations. UNCTAD should play a watchdog role to consider how such practices could be addressed and assist affected developing countries.

23. The representative of China said that an equitable, rational and healthy international multilateral trading system was needed that shared the gains from globalization and gave developing countries a new opportunity to participate in the multilateral trading system and integrate into the globalized world economy. The realization of development interests would be an important yardstick of the fairness of the system. However, developing countries, and the LDCs in particular, were confronted with difficulties and obstacles in their efforts to
participate genuinely in trade and trade negotiations. The Doha negotiations should focus on issues of special interest to developing countries, such as special and differential treatment, commodity dependence, net food imports, food security and rural development, and practical steps should be taken by developed countries against trade protectionism. Developing countries needed increased technical cooperation to improve their negotiating skills and achieve effective market access and entry.

24. China had a special interest in agriculture and supported setting a target date for the eventual elimination of export subsidies in the framework agreement, complete elimination of export subsidies, substantive reduction of trade-distorting domestic support, and granting of special and differential treatment to developing countries. It was concerned about problems of newly acceded WTO members who, after having paid a huge accession price, were confronted with new burdens and challenges. Such problems should be addressed at the next stage of the negotiations. His country welcomed the integration of trade in textiles and clothing into the multilateral trading system and was opposed to new protectionist measures that would impede the normal functioning of trade in textiles and clothing. China's interests also included trade and environment issues. The success of UNCTAD XI, the São Paulo Consensus and the Spirit of São Paulo would foster confidence in the multilateral trading system and contribute to the Doha agenda. Finally, the concerted efforts of the entire international community would bring the Millennium Development Goals closer.

25. The representative of Kenya said that the decision on the agricultural negotiations should be in accordance with the Doha mandate, and the negotiations should take into account the tariff structures and development objectives of developing countries. Non-tariff issues should be addressed, even though they did not feature in Annex A of the July package. In the NAMA negotiations, reforms undertaken by African countries under structural adjustment programmes should be factored in, and credit should be given for the unilateral liberalization undertaken. Kenya was participating actively in the services negotiations, with the assistance of UNCTAD under JITAP. Experience had shown that services negotiations were complex, and technical assistance should be extended to other African countries to assist them in identifying their interests. Development should be at the core of the Doha negotiations, and to this end special and differential treatment and implementation issues should be addressed in a fair manner in all parts of the negotiations. Finally, he called on donors to support trade-related capacity building programmes.

26. The representative of Bangladesh said that the July Package had put the Doha Round negotiations back on track, and set priorities and parameters for future negotiations. The challenge was to ensure that the ambitions generated at Doha were not lowered, including those for a development-friendly outcome. The interests of certain groups had been well protected, as could be seen, for example, from the breakthroughs in some areas such as trade facilitation and in agriculture, which could bring about meaningful results. However, the complexities in these negotiations, and in protecting the interests of developing countries in non-agricultural market access, might raise doubts in this regard. He hoped that the agreement to negotiate on trade facilitation, and on none of the other three “Singapore issues”, would be followed in the WTO, since the multilateral trading system had already gone too far in undermining domestic policy space. There might have been a step back for the LDCs, since in Cancún WTO members had been nearing a consensus to provide LDCs duty- and quota-free market access in both agriculture and non-agricultural market access, whereas in the July Package the commitment on agriculture was on a best endeavour basis and the commitment on non-agricultural market access was less than mandatory. Also, there had not been any significant movement in providing effective market access within mode four in
services, and no concrete step in fulfilling the mandate under TRIPs Article 66.2. Countries that relied heavily on textiles and clothing would face daunting challenges with the phase-out of quotas under the Agreement on Textiles and Clothing. Although not so designed, the quota system had actually helped the growth of these sectors in many countries. Countries with economies of scale would have an advantage and crowd out others, particularly the smaller exporters, since the gradual erosion of preference margins was not built into the Agreement on Textiles and Clothing, suggesting losses of market shares for the LDCs. UNCTAD had an important role to play in advising LDCs on the post-ATC world.