



**Strengthening Trade Competitiveness in times of global economic
crisis – Challenges faced by LLDCs**

**Third Meeting of Trade Ministers of Landlocked Developing
Countries**

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**Speaking points for Shishir Priyadarshi
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Session 4: Way Forward

State of the Negotiations of the Doha Round

- Let me at the outset begin by saying that the theme chosen for this meeting is very timely as the economic crisis is an issue that is of great concern to all. Therefore, allow me to address the context in which the Doha Round of negotiations are taking place, and in particular the crisis. This has been the first crisis of a truly global nature; a crisis which has severely affected international trade.
- In big or small economies, ranging from OECD economies to single commodity exporting land-locked economies, the effect of the crisis has been devastating. Of course, while no economy has been spared, it is developing countries, particularly the least developed amongst them that have more acutely felt its full impact. These are countries whose ability to fight the crisis is more limited, given their limited financial resources — they cannot afford multi billion dollar stimulus packages to bail out struggling enterprises — and therefore are very much at the mercy of the global economic system for their recovery.
- The family of the International Organisations, and we in the WTO, have taken steps to help minimise the impact of the crisis, bearing in mind the high trade dependence of many developing countries economies.
- First, we have worked to keep trade flowing, by mobilising efforts into trade finance. Second, we have helped Members fight against protectionist pressures by ensuring transparency in the measures taken by them to respond to the crisis. Thirdly, we have continued to mobilise international support towards developing countries to boost their productive and trade capacity through increased aid for trade.

- The WTO has also responded to the crisis by cautioning governments against beggar-thy-neighbour policies, which have been tried in the past, in similar situations, and which have shown their gross inadequacy. It has cautioned against protectionism through a monitoring mechanism of trade restrictions that it enacted in the immediate wake of the financial crisis. A WTO “Radar Screen,” if you will.
- What our radar shows so far is “low-intensity” protectionism; in other words, a large number of measures whose intensity has so far remained constrained. But there should be no complacency. Rising unemployment will continue to usher-in the inevitable protectionist pressures, and due to its "lag" with other economic indicators it may continue to rise in 2010 and in all probability 2011.
- Most prognostications now suggest that we will get small positive numbers for trade growth in 2010. They will be very different in different regions, of course. But I think it is reasonable to expect that for global trade, the strong negative numbers of 2009 would turn positive, but not that very much. So we'll still be struggling to get out of the recession in 2010, so again we cannot be complacent.
- Now let me share with you the state of play in the DDA negotiations. At the beginning of September, India hosted a successful gathering of trade ministers aimed at reviewing the state of play in the negotiations and providing the impetus that would bring the negotiators back to the table in Geneva.
- At that meeting Members unanimously reaffirmed their commitment to conclude the negotiations by 2010, given the role that they see trade play in the recovery of their economies.

- Later, at the G20 meeting in Pittsburgh the Director General explained that political signals of commitment to resisting protectionism and to concluding the Doha Round in 2010 were needed and, indeed, welcome. But those declarations needed to be translated into concrete engagement in order to deliver an outcome. Leaders have agreed that their negotiators now embark on the work programmes that we have established for the next three months, and that they then assess our collective ability to achieve our 2010 target. Now it is time to see real progress in Geneva.
- Allow me now to go into detail on the work that is being done under the main areas of interest to the LLDCs. Work in agriculture is continuing, particularly in light of the renewed political mandate from the G20 and G8. In the Revision 4 of the draft modalities text bracketed and annotated areas needing further work have been identified. These include SSM [Special Safeguard Mechanism] (especially the architecture), cotton, issues related to sensitive products, preference erosion and tropical products, TRQ [Tariff Rate Quota] expansion as well as tariff simplification. The aim is to complete as much as possible of the outstanding technical work so as to set the stage for decisions on more political issues.
- Discussions are on-going on the templates for scheduling and on the required format of support tables and data needs — both for completion of the templates and for the establishment of modalities and of the time-lines and process for scheduling and verification. It will be important for members to take ownership of this matter so that you can be fully ready, with agreed time lines and formats, to complete the scheduling process in agriculture once modalities are established.
- In NAMA since the summer break, apart from a number of open-ended transparency sessions, the Negotiating Group been focusing on the issue of

NTBs [Non-Tariff Barriers]. The Group has also been looking at scheduling issues, and a Workshop on Electronic Negotiating Files was organized the week of 13 July.

- On sectorals, the process continues to be led by the sponsors of such initiatives. During the first half of this year, the sponsors have been doing detailed technical work with a view to engaging with their trading partners on a factual basis with numbers, sector-by-sector simulations and country-by-country analysis. Consultations on the case-specific flexibilities have also taken place in order to see whether there have been any developments on those issues.
- Over the past few months, activity in the Services Special Session has focused mainly on technical work. This has taken the form of bilateral and plurilateral discussions, as well as friends' groups gatherings, held on the margins of the usual services clusters. The technical discussions have centered on understanding better the requests and potential offers, and obtaining further precision on the results of the Ministerial Signalling Conference. The subsidiary bodies have also met and a Seminar on Financial Services and a Scheduling Workshop have taken place.
- The Trade Facilitation negotiations have advanced to a stage where the parameters of the envisaged Agreement are beginning to take clear shape. After several rounds of reviewing the proposed texts, members have reached a point where they now have a good sense of the measures it is going to contain.
- The negotiations on Article V of the GATT on transit, which is of particular importance to LLDCs, have received increased attention lately as members have begun to realize that it also covers the issue of trans-

shipment. Progress has also been made on the S&D side where elements of the targeted implementation mechanism are starting to emerge. Here I would like to point out that the negotiating group on trade facilitation has been working under a framework where there is a strong linkage between technical assistance, flexibilities on the timeframes for implementation and the non-actionability of certain provisions under the Dispute Settlement System for developing countries and LDCs. In fact, I would say that the way that S&D is being implemented in the area of trade facilitation points the way as to how this mechanism may work in the future of WTO.

- Having recently concluded a round of revising their negotiating texts, members agreed on taking the refinement and consolidation process to the next level by moving into a focussed drafting mode. We are hoping that a draft legal text would be ready sometime before the end of the year after the next meeting of the negotiating group in November.
- Before I finish let me briefly touch upon the issue of the 7th Ministerial Conference which will be held in Geneva in December. In consultations with the membership the Chairman of the General Council has clarified some the main elements of the Ministerial conference.
- First, this Ministerial Conference only, without establishing a precedent, will be chaired by the Minister of the Member providing the General Council Chair, therefore Minister of Chile.
- Second, 6 principles have been established which apply to both the Ministerial Conference itself and to its preparation. These principles are:
 1. The principle of "FIT" – Full participation, Inclusiveness, and Transparency;

2. A regular Ministerial Conference, that should not be structured around negotiating processes, but instead provide an opportunity for discussion and direction at Ministerial level across all WTO's activities;
 3. It is important not to overload the agenda of the Ministerial Conference;
 4. The preparatory work should not divert energy and attention from the DDA;
 5. Any issue for action or decision by Ministers proposed by Members should be developed by them in line with the normal consensus principle; and
 6. Related to preceding one, any issue for action or decision by Ministers should be agreed well before the Ministerial Conference.
- Third, on the structure of the Conference, there will be two Working Sessions, running in parallel to the Plenary Session. The Working Sessions will be aimed at providing an interactive forum for Ministers, giving them a platform for discussion under two broad sub-themes, as follows:
 1. "Review of WTO activities, including the Doha Work Programme" for the first day; and
 2. "The WTO's contribution to recovery, growth and development" for the second day.
 - Finally, as at every Ministerial, there is also a general reporting obligation for the General Council, DSB, TPRB, and the sectoral councils and committees under the General Council, including the TNC. All these

reports, which will cover the whole range of the WTO's activities, will as usual be circulated before the Conference.

- Regarding the outcome of the Ministerial Conference, there seems to be convergence that there would be a Chair's summary, which would be factual and balanced. All the discussions in the Working Sessions, and of course the Plenary, will also be on the record. In addition, any action taken by Ministers will be reflected in the records of the meeting.
- Before I give the floor to our next speaker let me reiterate that the LLDCs are an important part of the WTO Membership and Members are sensitive to your concerns. In this context, the LLDCs have been successful in raising awareness in the Members of the real and concrete problems they face due to their landlockedness. LLDCs should continue their work in the WTO to arrive at general as well as specific measures that would contribute to alleviate some of their pressing trade constraints.