

HIGH LEVEL MIDTERM REVIEW - ALMATY PROGRAMME OF ACTION

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Excellencies, Ladies and Gentlemen,

It is a pleasure for me to be here today and to represent the WTO at the High Level Midterm Review of the Almaty Programme of Action. The WTO has been involved in the Almaty Programme of Action ever since its inception in 2003 and has contributed periodically, including very recently by providing briefings on the state of play in the negotiations on trade facilitation and on Aid for Trade. Nevertheless, it is true the most important contribution that WTO can make in this regard is through a successful conclusion of the Doha Development Round. The DDA seeks to create a fairer and more equitable trading system for all its Members by addressing the inequities that exist in the global market for goods and services and by providing a clear link between trade and development concerns by putting the needs and interests of developing countries, including those of the LLDCs, at the heart of the negotiating agenda.

Even though the failure of the mini-Ministerial meeting in July 2008 was a temporary setback, let us not forget that there is a great deal on the table already. In the area of Agriculture the offers for market liberalization made by the major developed countries are substantial and would represent real export opportunities for many LLDCs. This greater market access would be accompanied by a significant reduction in trade distorting domestic support that would level the playing field for exports from developing countries. These reductions of tariffs and subsidies will be even sharper and faster in the area of Cotton benefiting the cotton producing LLDCs. The removal of all forms of export subsidies by 2013 will also enhance the ability of the LLDCs to compete in a fairer and market-oriented agricultural trading system.

Similarly, in NAMA Members are working towards cutting tariffs according to a methodology, where there will be deeper cuts on higher tariffs. Using this formula, developed countries will apply the tariff cuts on a line-by-line basis, with no exceptions, while appropriate flexibilities would be available for developing Members. This will generate new business opportunities, both in developed and in developing countries - hence providing a huge potential for increased and more diverse trade, including for the LLDCs.

Let me expand on two other areas of key interest to the LLDCs.

It is widely agreed that for the LLDCs one of the key areas in the negotiations is Trade Facilitation. These negotiations have the potential to provide significant gains for LLDCs. Successful negotiations on Trade facilitation will lower transaction, administrative, transportation and transit costs. This should allow for an increase in economic competitiveness and an expansion of exports from the LLDCs. It will also help LLDC and transit country governments to apply and conduct their border controls more effectively – allowing for better security, more efficient collection of fees and duties and more expeditious transit of goods. Trade facilitation measures will also encourage foreign investment and the expansion of small and medium-sized businesses that cannot afford to deal with excessive bureaucracy and red tape when engaging in cross-border trade. Another very important aspect of the Trade Facilitation negotiations is the enhanced support for developing countries to build the capacity they need to facilitate their own trade of both exports and imports, as well as, the transit of goods from the LLDCs, an issue that is closely linked to another area of key interest to the LLDCs – namely the Aid for Trade initiative.

While trade liberalization can provide the framework within which significant opportunities arise for developing countries, it may itself not be sufficient to guarantee that these opportunities are realized. For example, some countries may not have the productive capacity to take advantage of enhanced market access opportunities. Some may have difficulties adjusting to the new economic environment

following trade liberalization. Others may need assistance in diversifying their product base, enhancing their competitiveness and building the necessary infrastructure to bring their products to the international markets in a timely manner.

It is with these considerations that the Aid for Trade initiative launched, it seeks to bring together these stakeholders in order to assist developing countries to build the trade capacity and infrastructure they need to benefit from trade opening. The Aid for Trade initiative includes providing technical assistance to help countries develop trade strategies, negotiate more effectively, and implement outcomes; building infrastructure including the roads, ports, and telecommunications that link domestic and global markets; building productive capacity through investing in industries and sectors so as to enable countries to diversify exports and build on comparative advantages and provide adjustment assistance which would help cover the costs associated with tariff reductions, preference erosion, or declining terms of trade. A key facet of this initiative is that it is demand driven so that the beneficiary countries have a strong ownership of the process.

I think that of particular benefit to the LLDCs are the linkages that are being established between Trade Facilitation and Aid for Trade. Right from the beginning of the Aid for Trade initiative Trade facilitation has been put forward as an example where the initiative could be effectively implemented. Indeed, trade facilitation, transport efficiency and logistics, port and customs infrastructure and other related areas are natural candidates for Aid for Trade financing because of their potential for enhancing export competitiveness, particularly of LLDC exports. The Aid for Trade initiative recognizes the importance of the regional dimension to increasing trade from the LLDCs. This regional approach would be particularly important for the LLDCs since solutions to their transit problems will require cooperation with their neighbours. Indeed, empirical evidence suggests that the economies of the LLDCs are intimately tied to those of their neighbours. Increase trade and generate growth in a neighbouring economy and the economy of the land-locked country is soon to follow.

LLDCs are conscious of the benefits that increased trade can bring to their developmental efforts. Trade Ministers have always stressed the importance of an early and successful conclusion of the Doha Round for achieving the objectives of the Almaty Programme. The urgency of concluding the Doha Round today is more acute than at any point in the last seven years. Not concluding the Round could have very serious implications for development and for investment in the LLDCs. A successful completion of the Doha Round with the effective participation of the LLDCs will offer growth opportunities that will enable these countries to better pursue their development objectives. However, for a successful conclusion of the DDA, both developed countries as well as the larger developing countries have to look beyond mercantilist gains. More importantly they have to resist domestic protectionist pressures. Only then we will be able to collectively achieve what we set out to do seven years ago – to rebalance the multilateral trading system in favour of development and poverty reduction – something that only a successful conclusion of the Doha Round can do.

I thank you for your attention, Ladies and Gentlemen.