

WORLD TRADE ORGANIZATION

WT/MIN(03)/W/23
14 September 2003

(03-4939)

MINISTERIAL CONFERENCE
Fifth Session
Cancún, 10 - 14 September 2003

Original: English

PARAGRAPH 18 OF THE DRAFT MINISTERIAL TEXT (JOB(03)150/REV.2) – SMALL ECONOMIES

Joint Proposal by Landlocked Developing Countries¹

*(Afghanistan, Armenia, Azerbaijan, Bolivia, Botswana, Bhutan, Burkina Faso, Kazakhstan,
Kyrgyz Republic, Malawi, Mali, Mongolia, Paraguay, Rwanda, Swaziland, Uganda,
Zambia and Zimbabwe)*

The following communication, dated 13 September 2003, has been received from the delegation of Paraguay on behalf of the above delegations.

Original Text

Small Economies

We reaffirm our commitment to the Work Programme on Small Economies and urge Members to adopt measures that would facilitate the fuller integration of small, vulnerable economies into the multilateral trading system. We take note of the report of the Committee on Trade and Development in Dedicated Session on the Work Programme on Small Economies to the General Council and the recommendations made therein. We instruct the Committee on Trade and Development, under the overall responsibility of the General Council, to continue the work in the dedicated Sessions with the aim of completing it as soon as possible but not later than 1 January 2005. We instruct the General Council to report on progress and action taken, together with any further recommendations as appropriate, to our next Session.

Suggested Text

Small Economies

We reaffirm our commitment to the Work Programme on Small Economies and urge Members to adopt measures that would facilitate the fuller integration of small, vulnerable economies, **including landlocked developing countries**, into the multilateral trading system. We take note of the report of the Committee on Trade and Development in Dedicated Session on the Work Programme on Small Economies to the General Council and the recommendations made therein. We instruct the Committee on Trade and Development, under the overall responsibility of the General Council, to continue the work in the dedicated Sessions with the aim of completing it as soon as possible but not later than 1 January 2005. We instruct the General Council to report on progress and action taken, together with any further recommendations as appropriate, to our next Session.

¹ The Landlocked Developing countries include a group of Developing Countries, Least-Developed Countries and Countries with Economies in Transition.

ANNEX

LANDLOCKED DEVELOPING COUNTRIES COMMUNIQUÉ

**Afghanistan, Armenia, Azerbaijan, Bolivia, Botswana, Bhutan, Burkina Faso,
Kazakhstan, Kyrgyz Republic, Laos, Malawi, Mali, Mongolia, Paraguay, Rwanda,
Swaziland, Uganda, Zambia and Zimbabwe**

Cancun, Mexico – 13 September 2003

1. The Ministers of the Landlocked Developing countries, attending the World Trade Organization Fifth Session of the Ministerial Conference, with the firm purpose of jointly working with the WTO Members, agree to establish a substantial reform of the multilateral trade system, with the objective of achieving more fair and equitable trade rules, taking into special consideration the peculiar situation of the Landlocked Developing countries.
2. The Landlocked Developing countries, as small and vulnerable economies, are confronted by unique geographical situation, that impart higher transport and transaction costs to their goods and services, limiting their competitiveness. In this context, efficient trade facilitation and effective preferential market access for their products in the international markets, are priorities for those countries, that calls for closer cooperation of the international community and, particularly, of the WTO Members.
3. The recent International Ministerial Conference of Landlocked and Transit Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation in the context of the United Nations, held at Almaty, Kazakhstan, on August 28 and 29, has recommended for consideration by the WTO the following critical issues that will alleviate the difficulties faced by their goods and services today:
 - a. The fulfilment of paragraph 35 of the Doha Declaration, that mandates the WTO General Council to review the work programme and make recommendations for action to the Fifth Session of the Ministerial Conference to address the issues related to trade of the small and vulnerable economies and their full integration into the multilateral trading system.
 - b. Trade is an important engine for economic development. There is therefore need for special provisions to ease the handicaps and enable a greater participation of Landlocked Developing countries in international trade, which is crucial for their development prospects.
 - c. The significance of taking into consideration the request presented by Landlocked Developing countries that the current negotiations on market access for agricultural and non-agricultural goods and services should consider giving free access on tariffs and quotas for all products originating from Landlocked Developing countries.
 - d. The need to provide effective trade facilitation to the Landlocked Developing countries, which could expedite the customs procedures at border-crossing and through transit countries, on the way to the sea ports.

- e. The accession of Landlocked Developing countries to the WTO should be further accelerated, taking into account their need for special and differentiated treatment regarding their accession.
- 4. We welcome the accession of the Kingdom of Nepal to the World Trade Organization.
 - 5. Finally, the Ministers request here in Cancun that a special work programme and Development Box be established under the auspices of the WTO General Council to address the issues related to the trade of Landlocked Developing countries, particularly on trade facilitation, transport, full market access, and financial assistance and capacity building.
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