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CARIBBEAN DECLARATION ON THE FIFTH MINISTERIAL CONFERENCE OF THE WTO

Communication from Jamaica

The following communication, dated 28 August 2003, has been received from the Permanent Mission of Jamaica.

I have the honour to submit on behalf of Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago, the Caribbean Declaration on the 5th Ministerial Conference of the WTO, dated 6 August 2003, for circulation to WTO Members as an official working document of the 5th Ministerial Conference.

We, the Ministers responsible for Trade of the Caribbean Region, having assessed the state of the negotiations in the World Trade Organisation based on the mandates of the Fourth Ministerial Conference held at Doha, Qatar, in finalizing our position for the Fifth Ministerial Conference to be held at Cancún, Mexico, from 10-14 September 2003;

Reaffirming the principles and objectives set out in the Marrakesh Agreement Establishing the World Trade Organization, as well as the Ministerial Declaration and the other decisions reached at Doha, in particular those relating to Special and Differential Treatment for Developing Countries;

Recalling in particular the commitment of the Doha Ministerial Declaration to place the needs and interests of developing countries at the centre of the Doha Work Programme;

Reiterating the importance of the objective of the Doha Work Programme on Small Economies, which is to frame responses to the trade-related issues identified for the fuller integration of small, vulnerable economies into the multilateral trading system;

Further recalling that in the WTO 1996 Singapore Declaration, Members committed themselves to addressing the marginalization of Least Developed Countries (LDCs) and the risk of marginalisation of certain developing countries and, in the 1998 Geneva Declaration, Members expressed their deep concern about the marginalization of LDCs and certain small economies and recognised the urgent need to address this issue;

Affirming that trade liberalization can benefit small developing countries only if it serves as a vehicle for promoting growth, structural transformation and economic diversification, which can be achieved in a rules based multilateral trading system that effectively takes account of differences in size and development through a decision making process that is democratic and transparent;

Concerned about the continued erosion of market access preferences for our exports, inadequate adjustment periods and the lack of compensation for the attendant losses in earnings;

Also concerned that the draft modalities on market access do not take sufficiently into account the lack of economies of scale and limited flexibility of small industries and small suppliers to be internationally competitive and make trade adjustments;

Particularly concerned about the major fiscal impact that trade liberalisation entails for small developing economies, with particular reference to SIDS, for in these economies the dependence on trade taxes is excessive;

Aware that the producers of several agricultural commodities have been suffering a severe deterioration in prices and the lack of any assured mechanisms at the multilateral level for addressing these developments;

Disappointed by the lack of appreciation by some powerful countries for the acute vulnerability of small Caribbean economies and the harmful implications of their actions as they pursue their claims through WTO dispute settlement; and the insensitive manner in which rulings have been implemented disregarding their damaging effects on the livelihoods of thousands of farmers, agricultural employees and their dependents, as the ruling on bananas illustrates. The current dispute over sugar portends extremely damaging economic and social consequences for Caribbean economies;

Disturbed about the current lack of progress in the negotiations mandated at Doha on subjects of interest to developing countries, such as implementation issues and concerns, special and differential treatment, TRIPS and Public Health, and modalities for market access and agricultural reform;

Welcome the renewal of the Memorandum of Understanding between CARICOM and the World Trade Organization and expressing appreciation for the assistance given to the Region by a number of organizations and countries to help meet the Region's technical assistance and capacity building needs, bearing in mind that the capacity-building and technical assistance needs of small, vulnerable Caribbean economies are still to be addressed;

Reiterating the need to ensure that the process of consultation and decision-making in the WTO is inclusive and transparent, and the need to accommodate the smaller developing Members of the organisation, in particular those without missions in Geneva;

Insisting that the staffing of the WTO Secretariat with more nationals of developing countries will both provide balance to the work of the Secretariat and demonstrate the Organization's commitment to addressing the interests and concerns of developing countries;

Emphasizing the importance of increased coherence of policies pursued by multilateral institutions on matters of trade while avoiding cross-conditionality;

Call on all Members of the WTO to agree that:

Doha Work Programme

1. The development dimension of the Doha Work Programme must be accorded higher priority and greater urgency without attempting to re-interpret what was intended, in order to reach agreement on key subjects of interest to developing countries.

Special and Differential Treatment

2. Immediate action must be taken to adopt effective measures with substantive economic content and operationalize commitments on Special and Differential Treatment and Implementation-Related Issues and Concerns, which are fundamental for an equitable multilateral trading system and essential requirements for the integration of developing countries into the multilateral trading system in a manner which promotes their development.

Implementation Issues

3. Despite the mandate from the Doha Ministerial that implementation issues were of the “utmost importance” there has been little progress. The resolution of these issues is urgent and will require the concerted effort of all countries, especially the developed countries. It is onerous for developing countries, particularly the least developed and smallest ones, to assume additional responsibilities before long overdue implementation issues are addressed.

Trade Preferences

4. Trade preferences remain vital to the economies of many developing countries and especially to small developing economies that suffer scale and other deficiencies. Given the vital importance of some key long-standing trade preferences for Caribbean States in offsetting the lack of competitiveness, the maintenance and security of such preferences, through flexible rules and modalities that allow for exemptions based on special development needs, are now a necessity in the WTO. In addition any erosion of preference margins must be addressed by devising appropriate compensatory and other mechanisms.

Poverty and Vulnerability

5. Exemptions from tariff reduction obligations and binding commitments on duty-free and quota-free market access for all products from LDCs are required in order to provide a secure, predictable basis for increasing supply and export, while ensuring that the interests of other developing countries, particularly the smallest among them, are not jeopardized.

Small Developing Economies

6. The particular structural disadvantages and vulnerabilities of small developing economies, in particular small island developing states (SIDS), must be taken into account in the formulation and application of multilateral trade rules as well as in the liberalization undertakings required of these countries, in order to avoid their further loss of market share and possible de-industrialization.

7. The multilateral financial and developmental institutions must co-ordinate more closely their efforts at addressing peculiar adjustment problems and difficulties confronting small economies in this age of globalization and liberalization.

8. The exports of small developing economies, should be exempt from anti-dumping, countervailing and safeguard measures.

9. In the dismantling of tariffs, tariff escalation, non-tariff barriers and subsidies maintained by developed countries, the highest priority should be accorded to products of export interest to small developing countries and LDCs, so as to avoid the unintended effects that such reforms can have on the export earnings of these countries. Adequate compensation mechanisms for these countries to respond to consequential losses, as well as measures to assist them in their diversification efforts should be devised.

Work Programme on Small Economies

10. The Work Programme on Small Economies should now move beyond the exhaustive clarification of particular difficulties facing small, vulnerable economies in the international trading environment that has been taking place, to proposing and adopting specific recommendations and measures to ensure their beneficial participation in the WTO and the multilateral trading system.

Fiscal Fallout of Tariff Liberalization

11. Modalities on market access for non-agricultural products must take full account of the export interests of developing countries, the revenue implications of further liberalization, and the need for asymmetry in reduction commitments, especially in the case of small, developing economies, and should also address the erosion of preferences.

Regional Trade Agreements

12. Where developing countries enter into regional trade agreements (RTAs) with developed countries, the WTO rules on RTAs should allow for maximum flexibility bearing in mind differences in size and development. Any improvement and clarification of disciplines and procedures on RTAs should take account of differing levels of development and should address the definition of “substantially all trade”, transitional timeframes and reciprocity in a manner that responds to the needs and interests of developing countries, particularly small developing economies.

Agriculture

13. Agriculture modalities must take into account the rural development and food security objectives and concerns of developing countries by ensuring that small developing economies are afforded the opportunity to adequately insulate their domestic sectors from import surges and depressed import prices (which are often the result of subsidization policies in the developed countries); by exempting certain products from further tariff reduction (pending the complete reform of global agricultural markets); and by applying tariff reduction formulas that are no more onerous than those that obtained during the Uruguay Round.

14. In any converging agreement in the three pillars of market access, domestic support and export subsidies, the special needs of the Net Food Importing Developing Countries (NFIDCS) should not be overlooked, especially in view of the failure in the past to respond positively to their requests for adequate mechanisms to deal with possible higher food import costs.

15. The WTO must take full and urgent account of the severe depression of global prices for several agricultural commodities on which many small and vulnerable economies depend for their export earnings and undertake to develop mechanisms aimed at addressing the long-term problem of high price instability and inadequate remuneration from the sale of those products.

Services

16. Trade in services is of critical importance and major potential to Caribbean economies. The assessment of trade in services should be conducted as mandated in the General Agreement on Trade

in Services (GATS). In order to ensure the effective implementation of Article 4 of the GATS Agreement, developed countries should liberalize those sectors and modes of supply of export interest to developing countries, in particular Mode IV (the movement of natural persons). The negotiations shall take into account the principle of progressive liberalization to allow developing countries to open fewer sectors and fewer modes of supply.

TRIPS and Public Health

17. The Doha Declaration on TRIPS and Public Health seeks to provide a much-needed solution to the serious health problems in developing countries. It must be implemented without restricting the intended flexibility of the TRIPS Agreement, particularly the coverage of diseases or the eligibility of developing countries. It is of particular importance to the Caribbean which has a high incidence of HIV-AIDS and for which a regional solution to the production and/or acquisition of drugs could offer benefits. This would be an unprecedented demonstration of how the WTO can accommodate human development and trade objectives.

Geographical Indications

18. With regard to the establishment of a multilateral registry for geographical indications, only those Members participating in the system should be obliged to protect those GI's that are registered and participation should be voluntary.

Singapore Issues

19. The Singapore Issues have far-reaching implications for national economies, including the constriction of policy space, the irreversibility of negotiation outcomes and implementation costs. It is imperative that the process of clarification of these issues should continue before contemplating negotiations on these subjects.

Trade, Debt and Finance/Transfer of Technology

20. The work on Trade, Debt and Finance and Trade and Transfer of Technology is of particular importance to small, highly open, developing countries and are comparable to other trade-related issues that have been proposed for negotiation. We would like to see recommendations emerge from the Working Groups as to concrete actions that could be taken within and outside the WTO to assist developing countries to remedy their problems in these areas.

Trade and Environment

21. Work on Trade and the Environment should continue and aim to ensure that the specific trade obligations of Multilateral Environmental Agreements (MEAs) and WTO rules are mutually supportive and that the definition of and improved market access for environmental goods and services are consistent with the trade interests of developing countries. However, Caribbean countries are equally concerned that MEAs should not be used as non-tariff barriers, which could cause serious difficulties for their economies.

Trade Facilitation

22. The WTO, international organizations and developed countries must enhance the availability of technical assistance to facilitate the attainment of best practices. The needs of small developing countries with limited institutional capacity should be a priority.

Dispute Settlement

23. Work should be concluded in the shortest possible time on improving and clarifying the Dispute Settlement Understanding in order to ensure that the multilateral system can benefit from an effective, equitable and impartial dispute settlement mechanism that is capable of responding to the needs of small developing countries, whose ability to use the dispute settlement mechanism is severely constrained.

Technical Assistance

24. WTO technical assistance and capacity building programmes should be expanded in order to strengthen and improve human and institutional capacity and to include not only seminars, workshops and technical missions but also attachments to the WTO. The WTO should expand its cooperation with international development institutions, notably the World Bank and specialized organizations such as UNCTAD, UNIDO and WIPO, to increase the human and financial resources available to enable developing countries to participate more effectively in negotiations, implementation and adjustment.

25. Much more has to be done to improve the flow of timely information and enhance the involvement of countries, which do not have representation in Geneva.

Transparency

26. Measures should be taken to improve the transparency and inclusiveness of the WTO negotiating and decision-making processes, in order to ensure the effective participation of developing countries in the deliberations leading to the Fifth Ministerial Conference and at Cancún itself, bearing in mind also that many Members, including all Caribbean Members, have limited or no representation in Geneva. A clear structure and methods of work which adhere to multilateral norms and practices should also be agreed beforehand for the Cancún meeting, in order to minimise the uncertainty for smaller participants and to address the perennial problem whereby momentous decisions are taken in the context of ad-hoc processes and variable procedures to the detriment of many developing countries.

Dated 6 August 2003
