

African Group Letter to the WTO Trade Negotiations Committee Chair

# Expectations for Hong Kong - A Letter to Pacal Lamy

Wednesday 9 November 2005, by [African Group \(WTO\)](#) (Date first published: 8 November 2005).

The Permanent Mission of the Arab Republic of Egypt

To the United Nations & International Organizations in Geneva

Geneva, 08 November, 2005

Mr. Pascal Lamy,  
Director-General,  
World Trade Organization  
Chairman of the Trade Negotiations Committee  
Rue de Lausanne 154,  
CH-1211 Geneva 21, Switzerland.

Mr. Chairman,

The African Group would like to recall the commitments undertaken by Members to place the interests and needs of developing countries at the heart of the WTO Work Program. African Members have made substantial contributions since Doha. The political mandate of the African Group is contained in the Cairo Declaration and its Annex the Cairo Road Map on the Doha Work Program (WT/L/612).

However, we are concerned that negotiations to date are not moving to a direction that will lead to any meaningful progress on issues of concern to African Countries.

The following elements should be fully reflected in the draft Ministerial Text:

## **I. Agriculture:**

The African Group has appropriately identified the level of flexibility and need for S&D in all three pillars of negotiations. We emphasize that necessary flexibilities, including special and differential treatment provisions must be incorporated in all the three pillars of negotiations.

Market access: we reiterate the importance of full operationalization of the principle of proportionality in the reduction of tariffs, and the need to take into account the different tariff structures of Members.

We stress that the level of specificity on SPs and SSM should be the same as that of other elements of the negotiations.

Specific and concrete mechanisms and solutions to the problems of preference erosion must be devised within the WTO context to fully address the concerns of African countries in accordance

with paragraph 44 of the August, 1<sup>st</sup>, 2004 General Council Decision. The consideration of this issue should be paramount when designating the list of sensitive products by developed countries.

Domestic support: the proposals presented by developed Members will not achieve real reductions in trade distorting domestic support. We stress that modalities should include disciplines to avoid box shifting.

As part of the special and differential treatment, we emphasize that African countries must be exempted from De Minimis reductions commitments.

Export Competition: we stress the need for the draft Ministerial Text to fully take into account the interests of food aid recipients in developing disciplines on this issue.

The implementation of the Marrakech Decision on NFIDCs and LDCs is long overdue. There should be a clear reflection of the special and differential treatment component of any disciplines to be developed on export credits, in accordance with Paragraph 4 of this Decision.

STEs in Africa play an important developmental role. In this regard, African countries' STEs should be exempted from the application of any disciplines

Cotton: we stress the importance of cotton for African countries and the need to achieve concrete results at the Hong Kong Ministerial Conference. These results should take into account commitments made by Members in the August 1<sup>st</sup>, 2004 General Council Decision and the requests contained in the Cairo Roadmap regarding Cotton issue.

Commodities: we stress the need to establish modalities on addressing the issue of volatility of commodity prices, including the problems faced by Banana countries of Africa.

The Group reiterates that the modalities should take into account the need for appropriate policy space that would allow African countries to pursue agricultural policies that are supportive of their development goals, poverty reduction strategies, food security and livelihood concerns.

## **II- NAMA:**

African Ministers have given clear political directions on the treatment of industrial tariffs in the WTO negotiations, in a manner that is sensitive to the developmental needs of the diverse range of African countries and promotes the industrial development of these countries. These are contained in various Ministerial Declarations, the Cairo Declaration and road map being the latest and most specific. In this regard , we propose that the draft Text should fully take into account the following:

- An appropriate formula or tariff approach that would allow African countries to undertake industrial policy and diversification objectives and take as priority the Special and Differential Treatment and less than full reciprocity.
- A mechanism for addressing preference erosion within the WTO;
- Policy space and flexibility that fully takes account of African countries' developmental, financial and industrial needs which removes the risk of de-industrialization with its attendant negative consequences on poverty reduction;
- Flexibilities for African countries to determine their binding coverage commensurate with their development objectives;

- Exclusion of sectoral initiatives because of their potential detrimental effects on African countries;
- No linkage between the flexibilities and the level of ambition, the flexibilities should address Africa's developmental needs and concerns;
- Fully respect LDCs exemption from tariff reduction commitments; and
- Work on NTBs should be completed at the same time as other elements in Annex B.

### **III. Services:**

The African Group has strong concerns on the issue of complementary approaches, and opposes the inclusion of any such approaches that are incompatible with the spirit and structure of the GATS.

In this context, we reiterate that the establishment of any quantitative individual or collective targets would clearly and profoundly undermine the flexibilities provided for developing countries in the GATS provisions and the existing negotiating guidelines and procedures. Furthermore, the Group has strong reservations on the prescriptive nature of the proposed language on the issue of qualitative targets and parameters.

Despite the repeated calls by the African Group for the effective implementation of the provisions of Article IV of the GATS, the Group is concerned with the continued disregard of this issue in both the negotiating process and the draft Ministerial text.

The Ministerial text must therefore ensure that members make commercially meaningful commitments in sectors and modes of supply of export interest to developing countries, particularly in Mode IV.

### **IV-Development:**

The African countries stress that development means adequate policy space and flexibilities to achieve their legitimate development goals and increase their share of trade. In this respect, the African Group would like development to be addressed in a broader perspective as required by the August 1<sup>st</sup>, 2004 General Council Decision.

The development Dimension should permeate all areas of the negotiations; we are also willing to give our perspective in which we would like other issues to be dealt with.

We express our disappointment that there has been lack of progress in all development related issues, as contained in the August, 1<sup>st</sup>, 2004 General Council Decision.. We are equally disappointed in the manner in which work on paragraph 44 of the Doha Ministerial Declaration relating to Special and Differential Treatment has been dealt with.

The African Group has been confronted at this late stage of the negotiations by an extremely large number of questions on its S&D proposals that have been on the table since early 2002, Whereas it took four years for some Members to raise those questions, the African Group has been pressured to answer those questions immediately without having enough time to study them.

LDCs: The African Group reiterates incorporating the issues of importance to LDCs in all areas of the negotiations, including the duty free and quota free access for products of interest to LDCs

### **V- Trade Facilitation:**

The African Group attaches great importance to the issue of trade facilitation and remains engaged in work in this area. We reaffirm the importance of the S&D and TACB components of the Annex D

in the August 1<sup>st</sup>, 2004 General Council Decision.

We are concerned by the report circulated by the Chair of the NGTF as it shifts the work on this area towards a text-based negotiating mode without specifying the commensurate TACB commitments, which is in contradiction to the mandate contained in Annex D. In this regard, we propose the following:

- Concrete and quantifiable TACB commitments by our development partners must be reflected in the report;
- The integration of a precise, effective, and operational S&D needs to be explicitly reflected in the Hong Kong Text; and
- The opportunity of participating and making further proposals should not be foreclosed.

#### VI - TRIPS:

The issue of TRIPS and Public Health is of crucial importance for African Countries. We urge that a permanent solution be found before the Hong Kong Ministerial Conference.

#### VII- Rules:

The African Group reiterates its position that the S&D and development concerns are fully incorporated in the draft Text with regard to the Regional Trade Agreements (RTAs).

#### VIII- Accessions:

It is worth mentioning that no African State has acceded the WTO since its establishment in 1995. In order to facilitate the accession of African LDCs, Members should fully implement the "Guidelines on WTO accession procedures for LDCs" adopted by the General Council in December 2002 without seeking excessive and strenuous commitments. We request Members to respond rapidly to African countries that have applied to commence their accession process by not using non-trade considerations that delay accessions and also to refrain from making excessive onerous demands on the applications of African countries during the accession negotiations.

The African Group underscores that it is paramount to see in the outcome a balanced package as elaborated above, in order to lift Africa from its present level of development. In what is supposed to be a development round, this is the least that Africa can accept.

This letter covers at this stage a set of issues which are of critical importance to Africa. The Group reserves the right to provide further submissions on the issues mentioned therein and other issues.

We wish to assure you of our continuous collaboration.

With my best regards,

African Group Coordinator,

Eng. Rashid Mohamed Rashid  
Minister of Foreign Trade and Industry of Egypt

On his behalf:

Ambassador Sameh Shoukry,  
Permanent Representative of Egypt.

Copy to:

H.E. Ambassador Amina Mohamed  
Chairman, General Council  
Permanent Representative of Kenya