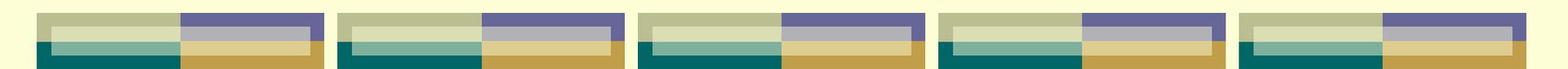


THE DEVELOPMENT DIMENSION OF THE DDA

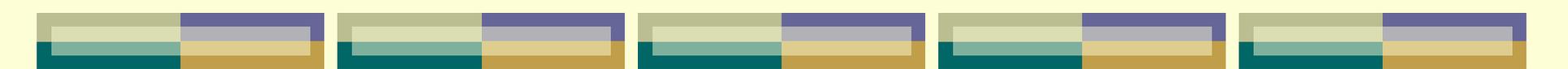
**Capetown
31 August 2005**

**Shishir Priyadarshi
Development Division
World Trade Organisation**



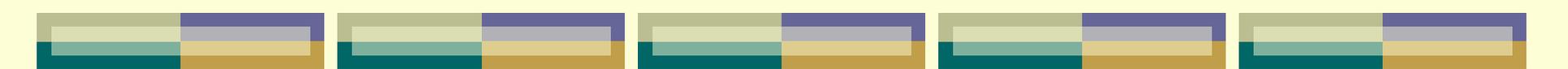
WHY A DEVELOPMENT AGENDA?

- Feeling that global trading system had failed to provide anticipated benefits to a number of developing countries.
- Share in global trade of the 49 poorest countries fell from 0.8% to 0.4% between 1980 and 1999.
- Areas of export interest to developing countries continue to face high tariffs and non-tariff barriers.
- The specific concerns of developing countries remained unaddressed, affecting their economic development and integration into the MTS.



THE DOHA DEVELOPMENT AGENDA

- In this context, the DMD set out an ambitious agenda, putting development at centre of multilateral trade negotiations.
- Included commitments to:
 - Reduce agricultural trade barriers
 - Improve non-agricultural market access
 - Make S&DT provisions more effective
 - Improve rules on TRIPS/ public health, anti-dumping, dispute settlement



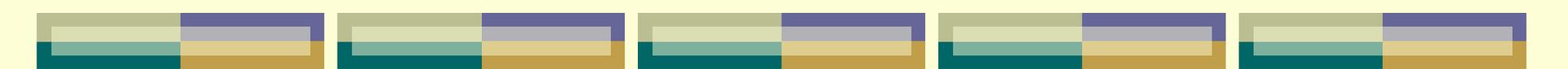
DEVELOPMENT DIMENSION OF THE DDA

In the early two years after Doha the general feeling was that the development dimension of the DDA was focussed mainly around the

- Implementation issues
- S&DT work programme
- Technical assistance and capacity building

and, in the

- Work programme on Small Economies; and
- Working Groups on Technology Transfer and on Trade, Debt and Finance



DEVELOPMENT DIMENSION OF THE DDA

More recently, it is being felt that the development is a much broader cross-cutting issue and must be reflected in the results of all the areas being negotiated, including:

- Agriculture
- Non agriculture market access
- Services

The focus is clearly on improved and real market access, along with a certain degree of flexibility for pursuing appropriate domestic policies.



THE JULY PACKAGE

Let us look at some of the key developmental issues in the following elements of the DDA as reflected in the July Package

A. Agriculture

B. Non Agriculture Market Access (NAMA)

C. Services

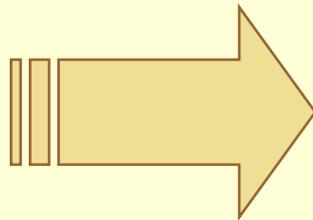
D. Singapore Issues

E. Development Issues



Agriculture

Achieved

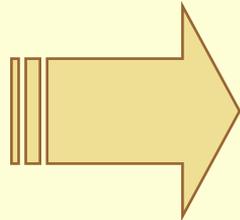


- Agreement to eliminate export subsidies
- Recognition of importance of food security and rural livelihood;
- Acceptance of the need to provide some protection to dc farmers;
- Acceptance of the need to significantly reduce trade distorting support;



Agriculture

Key Issues



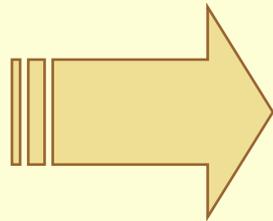
- **Must lead to increased and utilizable market access**
- **Provide flexibilities for dc's, including in the tariff reduction formula**
- **Erosion of long standing preferences**
- **Special products and SSM**
- **Food Security and rural livelihood**
- **Cotton**

Development



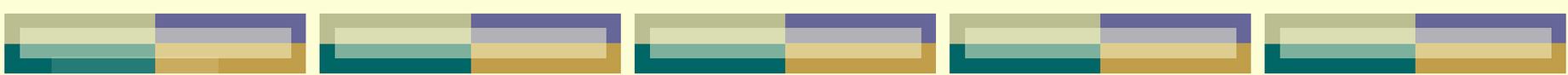
NAMA

Key Issues



**Real market access
with policy space**

- **Reflection of less than full reciprocity in reduction commitments by dc's in final result**
- **Tariff reduction formula:**
 - ✓ Level of ambition / non-linear
 - ✓ flexibility for dc's with different coefficients for each member?
 - ✓ erosion of non reciprocal preferences
- **Reduction of tariff peaks, tariff escalation & NTBs**



Services

1

Revised offers still coming in

2

Question mark about quality of offers and benefits for dc's

3

Mode 4 important, but dc's increasingly seeking access in non traditional areas

Full implementation of the Modalities for the special treatment of LDCs



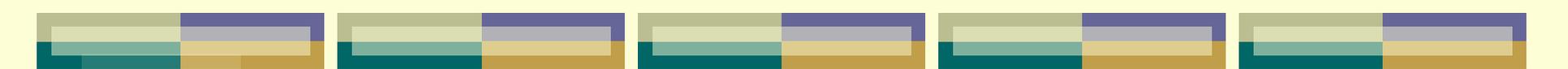
Trade Facilitation

Significant elements

- 1 Negotiations have begun on basis of *explicit consensus*
- 2 Strong element of technical assistance & capacity building
- 3 Very large number of Proposals (57) submitted

4

Important caveat that countries will not be required to implement the final agreement where support for required infrastructure missing



THE DEVELOPMENT ISSUES

Main Elements of the Development Section of the July Package

A. Special & Differential Treatment

B. Technical Assistance & Capacity Building

C. Implementation

D. Other Development Issues

E. Least Developed Countries



Special & Differential Treatment

Agreement specific proposals

Two main elements

Cross-cutting issues

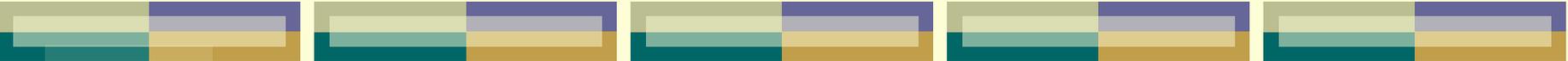
Deadline extended to Dec. 2005

Work done so far not harvested

Work to continue and a report made to the GC in Dec. 2005

Work to continue and a report made to the GC in Dec. 2005

Directions to the other WTO bodies to which Category II proposals had been referred to also complete their work by Dec. 2005¹³



Implementation Issues

**Reaffirmation of
Doha mandate**

Two main
elements

**DG & TNC to
continue to
handle this issue**



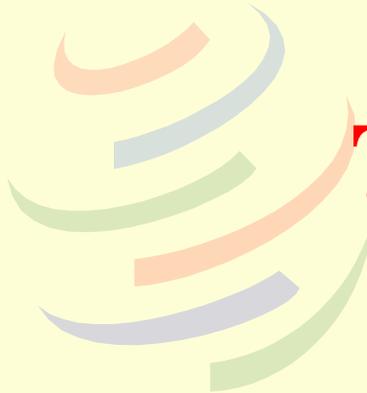
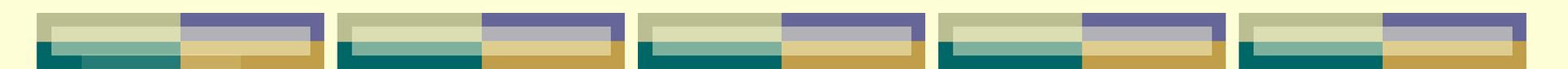
WTO bodies to redouble their efforts to find appropriate solutions as a matter of priority



DG to continue his consultative process on all outstanding issues under para. 12(b) of the DMD.

The GC to review progress and take appropriate action in July₁₄'05





Technical Assistance

1

- Recognition of progress made in extending TRTA to developing countries and low-income countries.

2

- Enhanced TRTA and capacity building to be provided to beneficiary countries, particularly LDCs.

3

- Improved coordination with other agencies under the Integrated Framework and JITAP welcomed



Other Development Issues

1

Special attention to be given in the negotiations to specific trade and development-related concerns of developing countries, including capacity constraints

2

Other concerns of dc's specifically mentioned include food security, rural development, livelihood, preferences, commodities and net food imports & prior unilateral liberalization

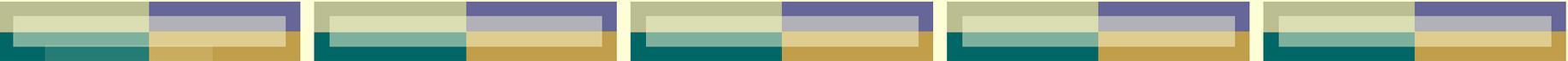


Other Development Issues

3

A specific paragraph on small, vulnerable economies, whose trade-related issues identified for the fuller integration of into the MTS, are to be addressed

However, this work is to be done without creating a sub category of Members



LEAST-DEVELOPED COUNTRIES



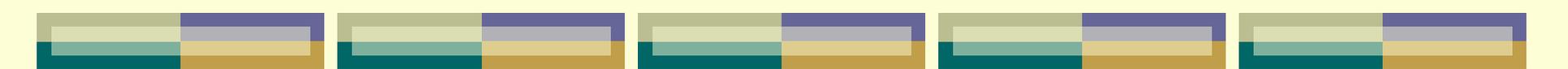
Main Elements of the Section on LDCs

Reaffirmation of commitments made at Doha concerning LDCs

Due account to be taken of LDC concerns in the negotiations

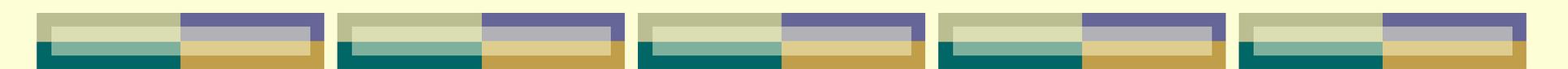
Assurance that the July Decision not to negatively affect LDCs in any way

****Importance of the Livingstone Declaration**



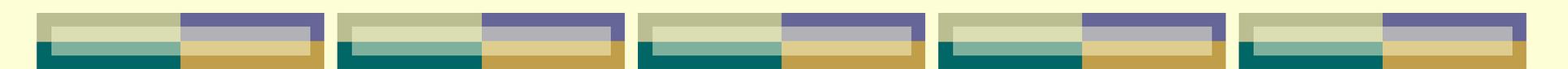
POSSIBLE REASONS FOR THE LACK OF PROGRESS

- Lack of flexibility on the part of some Members and an ‘everything or nothing’ approach on the part of other Members?
- Simultaneous negotiations on a large number of issues....consequent explicit and implicit linkages between progress (or lack of it) in different areas.
- Differences, even amongst developing countries, because of the differences in their needs and priorities (levels of economic development)



FUFILLING THE DDA – WHY IT MATTERS

- World Bank estimates that eliminating all barriers to trade in goods could generate an extra US\$ 250bn –620bn in global income.
- Up to half this benefits would accrue to developing countries, and could lift 300 million out of poverty by 2015.
- Boost to multilateralism and global economy. Annual growth in world trade barely 2% in 2002 (compared to 7% annual average in 1990s).



CONCLUSIONS – KEY OBJECTIVES

- Ensure inclusiveness and participation of all dc's in the negotiations;
- There must be an universal ownership of the end result;
- A result that seeks to address the concerns of developing countries, especially the least developed amongst them, including
 - Provision of real market access; and
 - Appropriate and meaningful flexibilities
- And accordingly lead to not only an increase in their share of world trade, but more importantly in an increase in per-capita incomes.
- That would be a true fulfilment of the development dimension of the Doha Development Agenda.