



GROUP OF 77 & CHINA
G E N E V A

22 August 2003

Declaration by the Group of 77 and China

on the

**Fifth WTO Ministerial Conference
Cancun, Mexico, 10-14 September 2003**

A call for a multilateral trading system which is responsive to the needs of developing countries

1. We, members of the Group of 77 and China, reaffirm our commitment to the eradication of poverty worldwide as stipulated in the Millennium Declaration and the Millennium Development Goals. Acknowledging that trade is not an end in itself but a means to development, peace and security, we aspire to creating a multilateral trading system which is responsive to the needs of developing countries.

2. We recognize the significant importance of an open, rules-based multilateral trading system as one of the essential means for the promotion of economic development, the eradication of poverty worldwide and the effective participation and integration of developing countries, particularly the least-developed countries (LDCs) and small, vulnerable economies, into the world economy. We strongly believe that such a multilateral trading system would play a crucial role in fostering human progress and fulfilling the development goals and aspirations of all nations, especially those of developing countries.

3. Mindful that the Doha Work Programme adopted at the Fourth WTO Ministerial Conference placed the economic interests and development needs of developing countries at its centre, we express strong disappointment over the missed deadlines and the lack of progress in the negotiations within the WTO, especially on issues of direct interest and economic value to developing countries.

4. We note with concern the contrast between the objectives laid out in the Doha Work Programme and the proposals by developed countries in key areas of interest to developing countries, which fail to take into account our interests and needs.

5. We call for a renewed political commitment of all countries to address the inherent asymmetries and inequalities in the international market place, the structural limitations, inadequate supply capacities and the vulnerabilities of developing countries to the external economic and financial environment and the pressures that arise therein, and to put in place a development-oriented multilateral trading system, both in words and in action, in order to ensure that all countries, particularly developing countries, can share in the prosperity that globalization offers.

6. We call on the participants of the Fifth WTO Ministerial Conference to expedite the Doha negotiations with an aim to the successful conclusion of the Doha Round. We strongly believe that a successful conclusion of the Doha negotiations that is development-friendly will not only significantly sustain the confidence of developing countries in the multilateral trading system but will also in the long run benefit the developed countries by creating a vibrant and inclusive global economic system.

Responsible actions needed

7. **Agriculture:** We stress that agriculture remains a fundamental and key sector for the overwhelming majority of WTO members' economies and that the successful conclusion of the Doha Work Programme negotiations depends largely on the success of agriculture negotiations. We look forward to a successful outcome of the negotiations aimed at substantial improvement in market access in favour of developing countries and the elimination of all forms of export subsidies and substantial reduction in trade-distorting domestic support. We reiterate that special and differential treatment for developing countries shall be an integral part of the outcome of the negotiations so as to enable them to effectively take account of their development needs including food security and rural development. We also call for effective measures to be undertaken to reverse the decline in agricultural commodity prices, which have severely affected the economies of many developing countries.

8. We reaffirm the need for implementation of paragraph 4 of the Marrakesh Declaration on Net Food Importing Developing Countries (NFIDCs) and LDCs.

9. We recognize the need of a safety net to assist the NFIDCs and the LDCs in financing short term purchases of major food imports, in times of increasing food import bills, or if a reduction in good imports at concessional terms makes larger imports necessary. In cases of tariff peaks, food imports should be facilitated by reducing tariffs. We call upon all potential donors to set long term plans to develop and enhance agricultural infrastructure, productivity, and competitiveness of agricultural products in the NFIDCs and the LDCs.

10. **Trade-related aspects of intellectual property rights (TRIPS) and public health:** We affirm the right of WTO members to use to the full the provisions in the TRIPS Agreement which provide flexibility for members to protect public health and promote access to medicines for all. In this regard, we underscore the importance of the implementation of the mechanism to put into effect paragraph 6 of the Declaration on the TRIPS Agreement and Public Health to enable developing countries, including LDCs, with insufficient or no manufacturing capacity in the pharmaceutical sector to make effective use of compulsory licensing. While noting the unilateral initiatives adopted by some members to address this issue, any proposed solution in this regard should be multilateral in nature and should be agreed upon in the context of the WTO.

11. **Implementation issues:** We note with great concern the lack of meaningful progress on implementation issues, despite a clear decision taken by the Ministers at the Fourth Ministerial Conference and the mandate of the Doha Ministerial Declaration. We stress the need for full and faithful implementation of the Uruguay Round Agreements for the redress of existing imbalances arising from the Uruguay Round Agreements, and for addressing implementation difficulties faced by developing countries as a matter of priority.

12. **Special and differential treatment (S&D):** As mandated by the Ministers in paragraphs 44 and 50 of the Doha Ministerial Declaration, we wish to stress once again that special and differential treatment for developing countries is an integral part of all WTO agreements and must be taken into account in all aspects of the negotiations and be embodied in the Schedule of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to enable developing countries to take account of their development

needs effectively. We also urge that further progress be made in work towards realizing the commitment made in paragraph 44 of the Doha Ministerial Declaration to strengthen the S&D provisions and to make them more precise, effective and operational. Any outcome reached should be meaningful and address the concerns of developing countries. Costs of implementation, including adjustment costs of developing countries and newly acceding members among them should be fully taken into account in all multilateral agreements.

13. **Market access for non-agricultural products:** We call for a full respect for the Doha Ministerial Declaration in the formulation of the negotiating modalities on non-agricultural products, taking into account that the Doha Ministerial Declaration has clearly mandated a reduction and as appropriate elimination of tariffs, tariff peaks, high tariffs, tariff escalation and non-tariff barriers for all industrial products, in particular products of export interest to developing countries. The special needs and interests of developing and least developed countries, including the principle of less than full reciprocity in reduction commitments, should underpin any modalities that are agreed to in this area of negotiations.

14. **Services:** We call for greater efforts to operationalise Article IV of the General Agreement on Trade in Services where increased participation of developing countries is envisaged, through, inter alia, liberalization of market access in sectors and modes of supply of export interest to developing countries, particularly mode 4. Negotiations should be conducted, in accordance with the Guidelines and Procedures for the Negotiations adopted by the Council for Trade in Services, on the principle of progressive liberalization, at a pace commensurate to the level of development of developing countries. In addition, we believe that balance should be maintained between market access negotiations and multilateral negotiations on rule making in services that would help create a more favourable framework of negotiations for developing countries and provide a higher level of comfort in negotiating market access commitments.

15. **Singapore issues:** While there remains considerable divergence in views on the Singapore issues, we believe that each issue should be treated separately and on its own merits. Any modalities to be decided, by explicit consensus, would need to provide certainty on the structure and precise content of negotiations and must fully take into account the impacts on/and the needs of developing countries. Many developing countries still require further analysis to be carried out so as to enable them to better evaluate the implication of closer multilateral cooperation for their developmental policies and objectives, and in this context the provision of technical assistance is necessary.

16. **Electronic commerce:** Recognizing that electronic commerce creates new challenges and opportunities for trade for WTO members, we stress the importance for developing countries of obtaining improved market access opportunities through electronic commerce. We consider it necessary to continue the examination of issues under the ongoing WTO work programme on electronic commerce, as well as in other international organizations. We also reaffirm the need to bridge the digital divide and eliminate all restrictions on the participation of developing countries in electronic commerce and access to modern technologies.

17. **Small economies:** We underscore the mandate to examine issues relating to the trade of small, vulnerable economies, as recognized in paragraph 35 of the Doha Ministerial Declaration. We call on WTO members to complete the Work Programme expeditiously and to

adopt substantive, results-oriented trade-related measures to ensure the fuller integration of small, vulnerable economies into the multilateral trading system and to address their specific needs. We wish to emphasize the need to take into account the specific concerns of landlocked developing countries.

18. **Erosion of preferences:** We reaffirm the need for WTO members to find positive measures to mitigate the negative impact of the erosion of preferences arising out of the on-going market access negotiations, including agriculture and non-agriculture market access negotiations and, in this context, to address the issue of preference erosion.

19. **Least-developed countries:** Recalling paragraph 42 of the Doha Ministerial Declaration, we call upon developed countries to make commitments on duty-free and quota-free market access for all products from LDCs on a secure, long-term and predictable basis with realistic, flexible and simplified rules of origin to match the industrial capacity of LDCs. In order to effectively integrate LDCs into the multilateral trading system, we further call upon developed countries to support LDCs in building their trade-related supply capacity, including through diversification of production and export base.

20. **Accession of developing countries to the WTO:** We call on members of the WTO to continue to expedite the accession of developing countries to the WTO within a transparent, streamlined and accelerated accession process, to speed up the reply procedures, and to ensure appropriate assistance in their accession, taking into account their limitations, their level of development, and WTO provisions related to the protection of public morals. We emphasize that the conditions for membership of WTO should be put on a footing similar to that of the existing members. We also emphasize the need for acceleration of the accession process of LDCs, as per the Accession Guidelines adopted by WTO.

Steps to be taken

21. We stress the importance of consistency between national trade policies and multilateral trade agreements. In this regard, we reiterate our concerns and call for the elimination of the continuing use of coercive economic and trade measures against developing countries such as unilateral economic and trade sanctions that are in contradiction with the United Nations Charter and WTO rules, as well as the abusive application of anti-dumping, technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures against products originating from developing countries.

22. While noting the establishment of the Doha Development Agenda Global Trust Fund, we urge developed country members of the WTO to increase their contribution to capacity building and technical assistance activities for developing and least-developed countries in order to strengthen their capacity and develop appropriate infrastructure, including human resources, to effectively reap the benefits of the multilateral trading system in a manner compatible with their specific development needs and constraints.

23. We urge the WTO and its members to continue to cooperate and work with the United Nations Conference on Trade and Development (UNCTAD) as the focal point within the United Nations system for the integrated treatment of trade and development and the interrelated issues in the areas of finance, technology, investment and sustainable development.

24. We also urge the WTO to continue to enhance coherence and complementarities with other relevant international organizations and the Bretton Woods institutions to promote the development objectives of a multilateral trading system responsive to the needs of developing countries.

25. We, the Group of 77 and China, call on the participants of the Fifth WTO Ministerial Conference to reaffirm their political commitment made in Doha to foster a new spirit of international cooperation based on the principle of shared benefits but differentiated responsibilities.

26. The success of the Fifth WTO Ministerial Conference depends largely on a genuine spirit of cooperation and the recognition that, in the globalization process, developed and developing countries are interdependent. To ensure the eradication of poverty for people worldwide, we, both developed and developing countries, must work closely together as equal partners for development.

* * * *