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QATAR

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This report prepared for the Sixth Ministerial Conference elaborates on some of the technical issues made in Qatar's Minister of Economy and Commerce speech. It places the greatest emphasis on the Development measures necessary to stimulate growth and promote development.

At the WTO Trade Policy Review in February 2005 Members noted the commitment of Qatar to the multilateral trading system, its development strategy, and to its progressive integration of the economy in the international trading system.

This latest multilateral trade negotiations, the Doha Round, was launched in Qatar in November 2001 with an ambitious Development Agenda as its centrepiece. This included special and differential treatment for all developing countries consistent with their trade, financial and development needs, inclusive of large relatively competitive countries, small economies, and especially the least developed.

Qatar's statement highlights some of the areas in which it believes that the Hong Kong Ministerial should take decisions. They should not be held hostage pending agreement on progress in the two areas of **Agriculture** and **Services** considered of vital interest to the major trading countries. In each of these sectors there are very important benefits to be gained by developing countries. By agreeing to modalities of potential benefit to the farmers, small and medium size enterprises, service providers and consumers in developing countries, developed countries will join words to deeds and send the clearest message that Doha is a Development Round.

Development in all sectors of the negotiations

Ministers in Doha, in the Decision on Implementation-Related Issues and Concerns committed the Committee on Trade and Development to identify and take action on those Special and Differential Provisions considered mandatory. At the same time to consider the non-binding ones to be made mandatory. The Committee has made little or no progress on the many issues proposed by developing countries. This raises questions regarding the Development outcome of the Round.

Special and Differential Treatment

The Agreement-specific proposals for special and differential treatment should be made operational in the course of 2006, especially for the LDCs, and implemented in a flexible and consistent manner by providing longer transition periods, exemptions from certain obligations that would impair their development prospects.

Implementation-Related Issues and Concerns

In Doha, Ministers agreed to take immediate action to address the most pressing implementation issues identified by developing countries [JOB(01)/152/Rev.1]. Progress in this area is disappointing though the issues have been well identified since 2001. The Hong Kong Ministerial should take decisions on these measures.

Agriculture

Qatar recognizes the importance of this sector to all Members and supports the proposals in the Trade Negotiations Committee in favour of developing countries. It is claimed that without movement on these issues the Round will be blocked. There is however room for movement on several areas in which immediate action would begin to lift the burden of poverty from producers in many developing countries. The Hong Kong Ministerial should take decisions in these areas:

1. Cotton – early relief, in 2006, should be provided for the African cotton producers.
2. Least developed countries – binding duty free access and the removal of non-tariff barriers, technical assistance to meet the standards set by technical barriers and sanitary and phytosanitary measures should be prioritized; rules of origin should be adopted that allow for cumulative treatment.
3. Development Measures - the modalities for the designation of their sensitive products should include exemptions from tariff concessions, and the Special Safeguard Mechanism (SSM) should be agreed. Special measures to compensate net food importing countries and preference erosion should also be agreed.
4. Market Access – modalities for minimum access volumes of developing country exports should be agreed, including through zero-rated tariff quotas for those products of export interest to developing countries.
5. Export Competition – a target date for the elimination of export subsidies should be set, with due account taken of the need for adjustments by food importing countries to potential increase in prices. This is to ensure that their food security interests are not harmed.
6. Domestic Support – developing countries should be exempt from any new disciplines.

Non-Agricultural Market Access

1. Tariffs and Non-Tariff Barriers – the WTO rules guaranteeing less than full reciprocity in tariff concessions should be emphasized; tariff peaks, high tariffs, and tariff escalation should be singled out for significant reductions; the classification of goods considered to be environmental should be given fast track consideration for tariff reductions; products of special export interest to developing countries, including energy products should be agreed; border taxes, including excise taxes should be removed on these products.
2. Development Measures – the modalities for compensatory measures in both trade and finance for preference erosion should be agreed.

Technical Assistance and Capacity-Building

1. The Doha Development Agenda included many commitments in each trade sector, and in the section of its own, on technical assistance and capacity-building. This was further underscored by additional commitments in the July 2004 General Council decision on Trade

Facilitation. These commitments are considered of equal force as other commitments, if developing countries are to be in a position to negotiate and implement agreements in their interest.

2. The fulfilment of these commitments has been slow in coming, and almost entirely in the form of funding for the traditional GATT/WTO workshops and training of officials. These have value. However, more qualitative support is required to ensure that developing countries have the capacity, from the supply side to secure the benefits from new markets and to take advantage of the trading rules.
3. Any new initiative by developed countries regarding finance and trade linkages should be assessed in light of the substantial costs to developing countries in building both infrastructure and institutions to meet existing obligations under the Marrakesh Agreement.

Trade Facilitation

The technical assistance and capacity-building, while recognised to be of vital importance to developing countries in lowering transaction costs, have met with negligible results. The emphasis has been on defining or clarifying the rules.

1. There should be tangible support for building infrastructure and the necessary institutional mechanisms by mid-2006.
2. There should be implementable modalities for giving effect to the commitments for technical assistance and capacity-building.

Services

Services make a significant contribution to Qatar's economy. This sector is the largest employer in the economy. Qatar is a substantial net importer of services. Qatar's policy of economic diversifications puts a high premium on expanding its domestic services sector, with special attention to tourism. Qatar has made scheduled commitments in six main services categories and recently tabled its Initial Offer in the Doha Round (TN/S/O/QAT, 7 July 2005). It includes entry and temporary stay of natural persons and environmental services.

1. The issue outstanding from the Uruguay Round, namely the Emergency Safeguard Mechanism (ESM), the mandated review and assessment of the impact of the "progressive liberalization" by developing countries should be fast tracked.
2. The offers by developed countries should be improved substantially, especially for Mode 4 of the GATS Movement of Natural Persons.
3. There should be no revision of the GATS framework for negotiations. Proposals for so-called complementary approaches to include numerical targets and "benchmarking" modalities are not part of the Doha Development Agenda.

Trade and Environment

Qatar as a petroleum and major natural gas producer engaged in refining processes gives high priority to environmental issues. As indicated above the importance of the services sector and the significant expansion in the tourism field is an added impetus for protecting the environment.

1. Qatar's Gas Initiative tabled in the Committee on Trade and Environment, 28 January 2003, has gathered significant support. At this Ministerial Conference, there should be recognition

that systems of combined-cycle natural gas fired generation and advanced gas turbines, as well as gas-to-liquid products, with their energy efficiencies, would be a major contribution that trade liberalization could make to improving the environment.

Trade-Related Aspects of Intellectual Property Rights

1. There should be formal amendment to the TRIPS agreement to allow countries access to essential medicines for HIV/AIDS and other pandemics.
2. The moratorium excluding TRIPS from GATT 1994 Article XXIII non-violation complaints should be extended.

Rules

Members agreed in Doha to clarify and improve disciplines in the Agreements on Anti-Dumping and Subsidies and Countervailing Measures, in addition to fisheries subsidies and Regional Trade Agreements (RTAs). Qatar supports the thrust of the proposals to strengthen disciplines on fisheries subsidies as a contribution of trade to the objective of "sustainable development".

1. In the area of Subsidies and Countervailing Measures, Articles 8 relating to non-actionable subsidies should be reintroduced and a new category added to assist developing countries in their diversification programmes.
2. In the area of Anti-Dumping, there should be a moratorium on measures taken against the products of export interest to developing countries, and the Agreement should be reviewed for possible discontinuation. In its place stronger Safeguard measures should be agreed for developing countries against the disruptive effects of developed countries' exports.
3. Regional Trade Agreements should include flexibilities to allow developing countries to create and expand trade among themselves, including, *inter alia*, amendments regarding "substantially all the trade", "reasonable period of time", and in respect of dispute settlement procedures. Such South-South arrangements should be supported by targeted technical assistance measures.

Qatar is pursuing an open trade policy based on the firm assumption that its continuing development across the range of economic sectors will smooth its integration into the multilateral trading system. The Doha Development Agenda implemented in a balanced manner will provide developing countries increased opportunities to secure the necessary gains from trade, and increase employment.

There should be a new impetus to identifying practical trade measures to facilitate the **transfer to technology**. There have been notable examples of such transfers facilitated in the WTO, through the Information Technology Agreement, the GATS Protocol on Telecommunications, and the recent agreement among a few countries for high technology semi-conductors in the so-called Multi-Chip Wafer (MCP) Agreement.

In summary, Qatar restates the main elements of its economic strategy as reported in its Trade Policy Review of 2005: the liberalization of the economy and trade; reduction of tariffs and removing restrictions in line with its commitment to WTO, increasing and diversifying exports; creating better access to world markets, enhancing trade cooperation by signing bilateral economic, commercial and technical cooperation agreements; establishing free-trade areas, customs union with GCC countries and negotiating free trade agreement (FTAs).

Qatar is convinced that decisions in Hong Kong reflecting the spirit and letter of our joint commitments in the Doha Development Agenda will make a lasting contribution to peace and security.

Qatar is ready to make its facilities in Doha available, at an appropriate time in 2006, for an in-depth assessment of the development aspects of tariff concessions and strengthened rules and disciplines negotiated. It would be a good occasion also, to assess the substantial welfare gains to developing countries, estimated by the World Bank among many others.

This would be proof that trade liberalization contributes to growth, employment, sustainable development, and overall development.
