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WEST AFRICAN ECONOMIC AND MONETARY UNION (WAEMU)

Statement Circulated by the WAEMU Trade Ministers

(As an Observer)

We,

The Trade Ministers of the member States of the West African Economic and Monetary Union (WAEMU),

Meeting on 13 December 2005 at Hong Kong, China, for the purpose of examining together the latest proposals for a compromise text at the WTO Sixth Ministerial Conference;

Recalling the provisions of WAEMU Treaty Articles 84 and 85 on the implementation of the WAEMU common trade policy;

Recalling Directive No. 02/2005/CM/UEMOA of 16 September 2005 on the common negotiating positions of the WAEMU member States for the Sixth Ministerial Conference at Hong Kong, China;

Recalling the Declaration on the trade negotiations that we adopted at Ouagadougou on 3 June 2005;

Considering the current status of the Doha Round negotiations on numerous issues that have important implications for the developing countries and for the member States of the WAEMU in particular;

Considering that the cotton sector is strategic and vital to economic development and poverty reduction in the WAEMU member States;

Noting the solidarity shown by the African Union, the Group of African, Caribbean and Pacific States (ACP) and the least developed countries (LDCs) towards the Sectoral Initiative in Favour of Cotton;

Noting with regret the lack of significant progress on cotton in terms of the level of ambition stated by WTO Members on adopting the "July 2004 Package", and on many other sensitive issues such as agriculture, market access for non-agricultural products, and special and differential treatment;

Desirous of ensuring that the interests of the WAEMU member States' are effectively protected at the WTO Sixth Ministerial Conference being held in Hong Kong from 13 to 18 December 2005;

Adopt the following Declaration:

1. We recognize the importance of the negotiations under way in the World Trade Organization on the various issues that form the core of discussions at the Sixth Ministerial Conference at Hong Kong, China. We insist, in this connection, that development issues remain the priority of the negotiations and that suitable solutions be found to the many concerns of the developing countries and of the least developed countries in particular.

2. Agriculture

In view of the preponderant role played by the agricultural sector in the economies of the WAEMU member States, we reaffirm that the negotiations on agriculture must aim to establish a fair multilateral trading system and must attain the following objectives:

- A substantial reduction in the levels of duties applying to agricultural products, on the basis of a formula that safeguards the interests of the African countries;
- the reduction of tariff peaks applied to agricultural products from developing countries;
- free access to developed country markets for all agricultural products from least developed countries, together with less restrictive rules of origin;
- a reduction in the tariff escalation applied to agricultural and agro-industrial products as a means of encouraging efforts by developing countries to process primary products;
- a significant reduction in trade-distorting domestic support measures in agriculture;
- an increase in *de minimis* levels for developing countries in order to give them greater scope for implementing support measures suited to their agriculture sectors;
- critical review and elimination of the use of "Green Box" and "Blue Box" measures, in order to restrict abuse of such measures and to avoid "box shifting";
- the elimination of all forms of export subsidies;
- the adoption by WTO Members of a Special Safeguard Mechanism (SSM) suited to the special needs and particular circumstances of developing countries, which is easily implemented and allows an effective response to increases in imports and declines in prices in developing countries;
- proper observance of the provisions of Article 20 of the Agreement on Agriculture establishing that commitments under reform programmes shall take into account non-trade considerations, including development concerns, food security and environment protection;
- the adoption of clear modalities allowing the designation of "sensitive products" and "special products" of particular interest to WAEMU member States;
- the creation of a "development box" with a view to promoting investment, research and technology transfer in agriculture;

- an evaluation of the effect given to the Marrakesh Decision, with regard to implementation of measures for support and for technical and financial assistance, together with mechanisms for introducing food aid in order to keep agricultural production profitable in the developing countries;
- an assessment of the technical assistance provided to developing countries pursuant to Article 9 of the Agreement on Sanitary and Phytosanitary Measures, and the negotiation of a "generalized precautionary provision", with a view to extending automatically to the developing countries the prohibitions established by the developed countries on sanitary and phytosanitary grounds on the production, marketing and use of certain products;
- observance of the decisions adopted by the Fourth WTO Ministerial Conference of the WTO at Doha concerning the waivers granted for certain protocols including those on bananas and sugar.

3. Cotton

We reassert the need, stated in the Framework Agreement of July 2004, to address cotton **ambitiously, expeditiously and specifically** within the agriculture negotiations, in view of the vital importance of this product for developing countries and for several member States of the WAEMU in particular.

We believe that suitable solutions must be found as a matter of urgency in order to establish a specific timetable for the total elimination of all forms of export subsidies and domestic support to cotton production in countries that engage in such practice.

We stress that, for us, it is important that reform efforts undertaken by countries that subsidize their cotton producers should meet the concerns of the African cotton producing and net exporting countries. We furthermore insist that specific measures be taken to improve access to developed country markets for our cotton and textile products.

We reiterate the request for transitional measures, *inter alia* through the creation of an Emergency Support Fund to serve as a safety net for African cotton producing countries that suffer revenue loss caused by deterioration of the terms of trade.

In this connection, we fully support the latest proposals made by the four sponsors of the Sectoral Initiative in Favour of Cotton (Benin, Burkina Faso, Chad and Mali), which reasserted the need to find suitable solutions to the cotton issue, *inter alia* through:

- The total elimination of export subsidies by 31 December 2005;
- the reduction of domestic support by 80 per cent by 31 December 2006, a further 10 per cent by 1 January 2008, and the remaining 10 per cent by 1 January 2009;
- the formulation of disciplines for the prohibition and supervision of the conversion of unauthorized support into authorized support;
- a considerable improvement in market access for cotton, with bound duty-free and quota-free access for cotton and cotton products exported by least developed countries;
- the establishment of a support fund to offset deficits caused by falling cotton prices on the international market;

- the mobilization of technical and financial assistance for the development of the cotton sector in Africa.

In any event, we consider that a fair decision on the cotton issue will be a criterion in assessing the credibility of the WTO's multilateral trading system.

4. Services

We recognize the importance of trade in services and the contribution it makes to the development and economic growth of our countries in terms of job creation and the entry of foreign currency. We undertake to endeavour to improve the efficiency of this sector so that it contributes more to making production in the Union more competitive.

In the current negotiations on services, we urge Members of the WTO to be open and to undertake ambitious commitments with a view to improving market access for developing countries, especially the least developed countries and increasing their share in global trade in services. It is of particular importance to us that the developed countries should progress and show openness with regard to Mode 4 concerning the temporary movement of natural persons.

We believe that the developing countries, on the other hand, should not be expected to undertake new commitments that are incompatible with their development objectives and their institutional and administrative capacities.

5. Market access for non-agricultural products

We have a particular interest in the negotiations on market access for non-agricultural products because of their impact on industrial production, customs revenue and the preference margins our countries enjoy in certain markets.

We insist that an agreement be reached by WTO Members to allow bound duty-free and quota-free access for all products from least developed countries.

We stress that an agreement must be reached as a matter of urgency on the modalities for the reduction of tariff peaks, tariff escalation and the elimination of non-tariff barriers.

We are deeply concerned, in this connection, that some developed countries use standards, technical regulations and the precautionary principle for protectionist purposes.

6. Special and differential treatment

Since most of the WAEMU member States have LDC status, we continue to be in favour of maintaining the principle of special and differential treatment for developing countries and LDCs and we support all initiatives to strengthen provisions on S&D treatment and to make them more precise, effective and operational. We further demand effective and mandatory implementation of the commitments undertaken in this area by developed country Members of the WTO.

7. The Singapore issues

We take note of the agreement reached by the WTO Members at the General Council of July 2004 allowing negotiations to begin on trade facilitation. We recognise that trade facilitation can enhance the transparency and rationalization of trade regulation and customs procedures. We consider it important that sufficient resources be made available to support the efforts of developing countries in financing the physical infrastructure they need to improve the movement of goods.

We continue to support the position of the tripartite alliance – the Group of African, Caribbean and Pacific States, the African Union, and the least developed countries, - namely, to postpone launching negotiations on the three remaining issues (government procurement, competition, investment) and to ask the working groups concerned to pursue their work on clarification.

8. Trade and environment

The WAEMU attaches great importance to environment protection as a factor of sustainable development in its member States. However, we are opposed to the use of environmental measures for protectionist purposes.

We believe that when international standards, directives/recommendations are established for environmental protection, a distinction should be drawn between mandatory international standards and voluntary international directives/recommendations.

9. Trade related aspects of intellectual property

We consider that special attention must be paid to the public health concerns of developing countries, including the possibility of more flexibility, for those with no access to essential medicines or that lack sufficient production capacity, in importing such medicines manufactured under licence, with a view to controlling endemic diseases and HIV/AIDS.

We reassert the right of our countries to the protection of traditional knowledge and folklore.

Done at Hong Kong, China on 13 December 2005

For the Ministers

(signed illegible)

Mrs Massiyatou LATOUNDJI LAURIANO

Minister of Industry, Trade and Employment Promotion of the Republic of Benin.
