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MESSAGE OF THE MINISTERS OF THE GROUP OF 77 TO THE THIRD MINISTERIAL CONFERENCE

Morocco, Marrakesh, 13-16 September 1999

The following message has been received from the Permanent Mission of Morocco with the request that it be circulated to the Third Session of the Ministerial Conference.

1. We, the Ministers of the Group of 77 and China, meeting at the Ninth session of the Ministerial Conference of the Group of 77 in Marrakech, Morocco, from 13 to 16 September 1999 to prepare for the forthcoming tenth session of the United Nations Conference on Trade and Development (UNCTAD), to be held in Bangkok, Thailand, in February 2000, have agreed to transmit the following message to the Third WTO Ministerial Conference to be held in Seattle from 30 November to 3 December 1999.
2. We see the liberalization of international trade under WTO rules as a powerful and dynamic force for accelerating growth and development. We are strongly committed to persevering in the pursuit of liberal and open trade policies which integrate the development dimension. The challenge for the Third WTO Ministerial Conference is to make resolute progress along the path towards an open international trading system whose benefits are equitably distributed.
3. We note with great concern, however, that the benefits of the existing multilateral trading system continue to elude developing countries. Progress towards full liberalization in sectors of particular interest to them is lagging behind, and significant imbalances between rights and obligations exist in multilateral trade agreements (MTAs), as well as in conditions of market access. The persistence of these anomalies could erode the confidence of developing countries in the multilateral trading system and strengthen the hand of those who would wish to retreat into misguided protectionist policies and approaches.
4. We therefore attach utmost importance to addressing the issues and difficulties faced by developing countries that have arisen in the course of the implementation of the WTO MTAs. In this way developing countries can achieve a share in the growth of international trade commensurate with their economic development needs. The non-realization of benefits by many developing countries in areas of interest to them has resulted from the failure of major trading partners to fully and faithfully meet their obligations in these areas, particularly textiles and clothing. We therefore urge that the question of the implementation of Marrakech Agreements and Decisions be addressed and resolved at Seattle by the Third Ministerial Conference of the WTO.
5. In particular, the special and differential provisions in the WTO MTAs, many of a "best endeavour" nature, which have largely remained unimplemented, must be operationalized if the developing countries are to derive the expected benefits.

6. We believe that the negotiations provided for under the "Built-in Agenda" should be launched without delay responding to the priorities of developing countries:

- In agriculture, the objective should be to incorporate the sector within normal WTO rules, addressing the particular problems of predominantly agrarian and small island developing economies and net food-importing developing countries.
- Negotiations on trade in services should be carried out within the existing architecture of GATS and aim at the liberalization of sectors of special interest to developing countries and the movement of natural persons, while taking account of the impact of electronic commerce.
- The mandated reviews under the WTO MTAs ought to redress imbalances and to ensure that provisions in favour of developing countries are effectively implemented.

7. We call upon developed countries to demonstrate a firm and unequivocal commitment to opening their markets to the exports of developing countries, and to provide duty free and quota free access for the exports of the least developed countries. This should not affect WTO members' existing commitments relating to preferential schemes. Any future negotiations should address the elimination of tariff peaks and tariff escalation and should introduce further disciplines to prevent the abuse of measures such as antidumping, countervailing duties and safeguard actions, sanitary and phytosanitary regulations and technical barriers to trade, as well as to prevent the apparent revival of the use of voluntary export restraints. The work programme on the harmonization of non-preferential rules of origin should be achieved rapidly, to attain simplified, harmonized and more transparent rules.

8. We will collectively pursue a positive agenda for future multilateral trade negotiations which should also pay particular attention to such issues as transfer of technology, appropriate safeguards for developing countries, credit for autonomous liberalization, export finance, commodity markets and the integration of the developing countries into the multilateral trading system on equitable terms. These negotiations should make operational the provisions under the TRIPs Agreement relating to the transfer of technology, to the mutual advantage of producers and users of technological knowledge and seek mechanisms for a balanced protection of biological resources and disciplines to protect traditional knowledge; enable developing countries under the TRIMs Agreement and the Agreement on Subsidies and Countervailing Measures to use measures necessary to implement their policies for development and export diversification and upgrading.

9. The Singapore Ministerial Declaration confirmed that ILO is the competent body to set and deal with all issues relating to labour standards. We therefore firmly oppose any linkage between trade and labour standards. We are also against the use of environmental standards as a new form of protectionism. We believe that issues relating to such standards should be dealt with by the competent international organizations and not by the WTO.

10. We are convinced of the need for differential and more favourable treatment of developing countries. This includes assistance to developing countries to help overcome transitional costs and to allow time for achieving development goals and enhancing competitiveness. The concept of special and differential treatment should be reviewed and strengthened to take account of the changing realities of world trade and of globalized production, and must be accompanied by capacity-building, enhanced market access and measures taken by industrialized countries to encourage their enterprises and institutions to transfer technology and know-how and invest in developing countries.

11. Eliminating trade barriers will not be enough to accelerate the integration of developing countries into the multilateral trading system. We therefore call upon the international community to

expand technical cooperation and capacity-building programmes, and to provide support for overcoming supply-side deficiencies and improving the trade infrastructure in developing countries, particularly the LDCs and small economies. There is a need to strengthen their export sectors and stimulate the positive contribution which the commodity sector can make to development through diversification. Implementation of activities within the integrated framework for trade-related technical assistance endorsed by the 1997 WTO high-level meeting on LDCs' trade development needs to be accelerated, and we call on our development partners to provide the necessary resources for this objective.

12. We note the importance for all countries of consistency between national trade policies and the multilateral trade agreements. In this regard, we express our concern at:

- the continuing use of coercive economic measures against developing countries, through, *inter alia*, unilateral economic and trade sanctions which are in contradiction with international law, in particular new attempts aimed at extraterritorial application of domestic law, which constitute a violation of the United Nations Charter and of WTO rules; and that
- the preferential trade access granted to some of our countries continues to be tied to conditions not related to trade. We believe that these harmful practices, which conflict with WTO rules, should be eliminated.

13. The universality of the World Trade Organization should be achieved as soon as possible in order to strengthen the multilateral trading system. We strongly believe that appropriate assistance should be made available to developing countries seeking accession. They should be offered terms that do neither exceed nor are unrelated to the commitments of developing country and LDC members of WTO. We urge that all WTO members refrain from placing excessive or onerous demands on applications from developing countries. Therefore, there is a need for a transparent, streamlined and accelerated accession process that is in keeping with WTO rules and disciplines.

14. We recognize the importance of regional and subregional integration. Such arrangements facilitate trade and investment flows, economies of scale, economic liberalization and the integration of their members into the system of international economic relations within a framework of open regionalism, enabling progress towards a more open multilateral system.

15. We attach importance to achieving greater complementarity in international economic policy making. The international institutions involved should pursue mutually supportive policies which would enable developing countries derive maximum benefit from the Multilateral Trade Agreements, while respecting the rights of developing countries enshrined in these Agreements.
