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## Sub-Committee on Least-Developed Countries Forty-Ninth Session

### NOTE ON THE MEETING OF 27 MARCH 2008

*Chairperson: Ambassador Jean Feyder (Luxembourg)*

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1. The Chairman expressed gratitude to Members for re-electing him as the Chairman of the Sub-Committee on LDCs. He thanked delegations for the confidence that they had placed in him. He sought continued support and cooperation from Members in discharging his responsibilities.

A. ADOPTION OF THE AGENDA

2. The Chairman informed Members that under Other Business, the United Nations Industrial Development Organization (UNIDO) would make a report on the LDC Ministerial Conference held in Vienna in November 2007.

3. The Sub-Committee adopted the draft agenda contained in document WTO/AIR/3163.

B. WTO WORK PROGRAMME FOR THE LEAST-DEVELOPED COUNTRIES (WT/COMTD/LDC/11):  
MARKET ACCESS FOR LEAST-DEVELOPED COUNTRIES

4. The Chairman said that he would take up the item on Market Access for LDCs under the WTO Work Programme for the LDCs. In this regard, there were two sub-items for consideration by Members. He began with the first sub-item.

- *Market Access for Products and Services of Export Interest to Least-Developed Countries  
(WT/COMTD/LDC/W/41/Rev.1)*

5. The Chairman recalled that a substantive discussion had taken place on the Secretariat note entitled "Market Access for Products and Services of Export Interest to Least-Developed Countries" at the previous meeting of the Sub-Committee. The note identified the main trends in exports of LDCs. It reviewed the market access situation of LDCs, and enumerated the latest initiatives taken by Members to improve market access for LDC products. It was suggested at the previous meeting that the document be kept on the agenda in order to continue discussions at today's meeting. In view of the comments made at the last meeting, the Secretariat had revised the document contained in

WT/COMTD/LDC/W/41/Rev.1. The revised document incorporated additional statistics concerning LDC trade and updated some data relating to China's initiatives in favour of LDCs.

6. The representative of Lesotho congratulated the Chairman on his re-election. He expressed gratitude to the Secretariat for its note which examined a number of issues relating to LDC trade and market access conditions. He noted that the value of LDC exports had increased over the 2000 to 2006 period, including exports of services. The LDCs had performed well in their merchandise exports in 2005 and in 2006. As a result, the negative trade balance of LDCs in merchandise trade had been narrowed. He noted that the LDCs, as a group, had registered a positive trade balance in 2006. He, however, cautioned that these overall figures could be misleading as it needed to be interpreted in an appropriate context. The aggregate growth rate had been hiding a substantial variation in the export performance across LDCs. Although there had been an increase in the share of LDCs in world merchandise trade from 0.6 per cent in 2004 to 0.9 per cent in 2006, the increase had occurred from a low base and was mainly due to rise in the prices of oil and mineral products. Therefore, the increase in the exports of goods was due to a few products, mainly oil where the value-addition was not high. He also cautioned against any complacency with the fact that the share of LDCs in world trade in commercial services had gone up from 0.4 per cent in 2003 to 1 per cent in 2005. He observed that the exporters of manufactures – mostly clothing – had registered moderate growth rates during the 2000 to 2006 period. The heterogenous growth pattern experienced by different LDCs had been a characteristic of LDC trade.

7. He went on to say that the export basket of most LDCs was narrow, making the LDCs vulnerable to external shock. He expressed concern that the food prices had been rising in a persistent manner. The demand for food had been growing. At the same time, he pointed out that agricultural land and production were increasingly being used for biofuel production. The price forecasts had been showing that the prices of food would continue to rise in the coming years. That would pose a daunting challenge to the net food-importing developing countries (NFIDCs), particularly the LDCs. He hoped that the DDA negotiations would bring a result which could bring down the prices of foods. The LDCs should be given special dispensation to address the increasing food prices and its effects on their economies.

8. He underlined the need for diversification of LDCs production and export base. The LDCs not only needed to overcome their supply-side constraints but also to reduce transaction costs involved in trade through appropriate trade facilitation measures. He said that technical assistance and capacity building should be demand driven and needs-based. That would make any assistance to the LDCs effective. In this regard, he informed Members that efforts were being made to operationalize the Enhanced Integrated Framework (EIF) as soon as possible. He said that the LDCs that were yet to undertake their Diagnostic Trade Integration Studies (DTISs) or were planning to update the existing DTISs could harness their trade strategies from such exercises to address their trade needs. In conclusion, he said that the note by the Secretariat should be studied carefully as the export performance of LDCs had been varying among the different countries.

9. The representative of China congratulated the Chairman on his re-election. He expressed appreciation to the Secretariat for incorporation of his delegation's comments and suggestions into the revised version of the note. The revised note reflected more appropriately the situation of his country's contribution to providing market access opportunities to the LDCs. He recognized the importance of providing the Secretariat with updated information in time. His delegation was committed to continue to cooperate with the Secretariat to further improve its work on LDC trade.

10. The representative of the United States congratulated the Chairman on his re-election. She expressed appreciation to the Secretariat for its revised note. Her delegation had found the note useful. Referring to Table 9(b) of the note, relating to tariff treatment of LDC exports in selected developing country markets (2005), she pointed out that the Table appeared to have focussed on one

particular region among developing countries. She suggested to expand the Table to include information on the current duty-free lines provided to the LDCs by a broader range of countries like Brazil, Egypt and South Africa.

11. The representative of Senegal congratulated the Chairman on his re-election. His delegation would continue to support the work that was being carried out by the Chairman. He thanked the Secretariat for the quality of the note. He associated himself with the statement made by the representative of Lesotho, on behalf of the LDCs. He said that the revised note contained interesting elements which needed close reflection. There were some causes of concern with the current trend of LDC exports. A major part of LDC exports consisted of oil and minerals, which were low value-added products. The exports of agricultural products as well as of manufactures from LDCs had been declining. He expressed concern that a downward trend in these sectors could affect the employment situation in the LDCs. He suggested that ways and means should be explored to make agriculture and manufacturing sectors more developed in the LDCs. That would ensure reversing the current trend of LDC exports which were heavily dominated by oil and mineral exports.

12. He went on to say that the LDC exports were concentrated on a limited number of tariff lines which represented the vulnerability of the LDCs in world trade. He emphasized the importance of diversification of LDCs' production and export base. Enhanced market access would not be enough to generate exports from the LDCs. Accompanying measures were needed to effectively utilize market access opportunities provided to the LDCs. He noted that exports from LDCs to the developed country markets had been increasing. The bulk of these increased exports consisted of mineral products, and to some extent manufactures. That implied that not all LDCs were benefiting from the recent surge in overall LDC exports. He underlined the importance of increasing the exports of value-added products and reducing the reliance on primary products. That would contribute towards development in the LDCs. He suggested that the Sub-Committee could take up some of the issues he raised to help LDCs diversify their export base and better integrate into world trade.

13. The representative of Bangladesh congratulated the Chairman on his re-election. He supported the analysis made in the statement by the representative of Lesotho, on behalf of the LDCs. He thanked the Secretariat for its revised note. He said that the export basket of the LDCs was narrow. With a view to increasing exports from the LDCs, the LDCs had been pursuing duty-free and quota-free (DFQF) market access to the developed country as well as to the developing country markets. DFQF market access would help LDCs diversify their export basket. At the same time, complementary support was needed to build trade capacity in the LDCs. He noted that the utilization rate of preference schemes was not satisfactory. Unrealistic rules of origin criteria associated with the preference schemes and other non-tariff barriers (NTBs) faced by the LDCs were among the reasons for this lack of utilization. Most of the LDCs were not in a position to identify those NTBs, let alone to take necessary measures to address them. He emphasized the need for more study to be done in this area. In this regard, the LDCs needed cooperation from the WTO Secretariat to identify the NTBs and to find necessary measures to address those NTBs so as to facilitate exports from them. He underlined the importance of making the preferential rules of origin simple and LDC-friendly. He stressed that the EIF and the Aid for Trade initiative were important mechanisms available to the LDCs to address their supply-side constraints.

14. The representative of the European Communities congratulated the Chairman on his re-election. She welcomed the revised note from the Secretariat. She found that the overall export performance of the LDCs was positive. She, however, expressed concern over the lack of diversification of the vast majority of LDCs. She regretted the fact that only three main products constituted almost 80 per cent of total export revenues in 2005 for over half of the 50 LDCs. She stressed that oil and mineral exporting LDCs should invest their export earnings in a productive manner, especially in enhancing human capacity and in strengthening physical infrastructure. Referring to Box 1 of the note, she said that the high transaction costs in LDCs had been undermining

their competitiveness in international trade. The number of documents needed for exports, the time required in export procedures and the higher unit costs to export faced by the LDCs had been reducing their trade potential. She wondered whether the kind of data provided in Box 1 could be expanded and deliberated upon at the Sub-Committee. She noted that the World Bank had been regularly producing indicators relating to trade facilitation which could be relevant in examining the supply-side constraints in the LDCs and which could help LDCs in benefiting from the Aid for Trade initiative. She called upon Members to adhere to the commitments undertaken by them at the Hong Kong Ministerial Conference held in 2005 to provide DFQF market access to the LDCs. She appreciated that Singapore had been providing DFQF market access to the LDCs. She noted that many other developing countries had scope for further improvements in providing enhanced market access to the LDCs.

15. The representative of Cambodia congratulated the Chairman on his re-election. He associated himself with the statement made by the representative of Lesotho, on behalf of the LDCs. He emphasized the need for enhanced market access for LDC products. In this regard, his delegation would like to see an effective implementation of the Decision on DFQF market access for LDCs, taken at the Hong Kong Ministerial Conference. Market access opportunities provided to the LDCs should be commercially meaningful. He stressed that developed country Members, as well as developing country Members declaring themselves in a position to do so, should provide DFQF market access for all products originating from LDCs by 2008. At the same time, simple and transparent preferential rules of origin should also be implemented. Referring to the Maseru Declaration adopted by the LDC Trade Ministers in February 2008, he emphasized the need for a specific timeframe for phasing-in of the remaining 3 per cent of products originating from LDCs under the DFQF coverage. With regard to services negotiations, he underlined the need for a mechanism to grant special priority to the LDCs in sectors and modes of supply of interest to them. He said that the issue of special priority to the LDCs was the cornerstone in the services negotiations and his delegation was keen to see a positive outcome on this aspect of the negotiations. That would be one of the ways to reduce the gap between LDCs and other Members in international trade.

16. The representative of Haiti congratulated the Chairman on his re-election. He thanked the Secretariat for the quality of the document, which faithfully reflected the situation of LDCs in world trade. He associated himself with the statement made by the representative of Lesotho, on behalf of the LDCs. His delegation was concerned with the lack of effective market access to developed country markets. He said that the capacity of LDCs in producing goods for international trade was limited. Notwithstanding this constraint, exports from LDCs were hindered by NTBs such as rules of origin. He stressed that NTBs faced by LDC exports needed to be effectively resolved to enable the entry of LDC products into developed and developing country markets. He underlined the importance of technical assistance and capacity building support to the LDCs to increase participation in world trade.

17. The representative of Brazil thanked the WTO Secretariat for its useful and thought provoking note. The note was comprehensive, which was useful not only to the LDCs but also to their trading partners. He appreciated the fact that the note had attached due importance to South-South trade. He also noted that developing country markets were increasingly becoming important destinations for LDC exports, which was reflected in paragraphs 17 to 22 of the note. This increase of trade among developing countries had been a major driving force to give dynamism to the world economy. The LDCs stood to gain by participating more in those trade flows. He, however, expressed concern that trade barriers among the developing countries were still relatively high. Major efforts had been employed to bring those barriers down.

18. He went on to say that one of the initiatives to promote trade among developing countries was the global system of trade preferences among developing countries (GSTP), which the note had mentioned in paragraphs 44 and 45. The note recognized that there had been some efforts under

GSTP negotiations to enhance market access for LDCs. It did not elaborate that the participants to the third round of GSTP negotiations, launched in São Paulo, Brazil, in 2004, had been working towards according specific concessions to the LDCs. He regretted the fact that at present the incentives for LDCs to seek preferential arrangements with other developing countries had been greatly undermined due to the negotiations of Economic Partnership Agreements (EPAs) between the EC and the Group of African, Caribbean and Pacific States (ACP), many of which were LDCs. He said that there were clauses in the EPAs that obliged the ACP countries to extend to the EC any preferential treatment they might negotiate with third parties. These clauses could run against the spirit, if not the letter, of the 1979 Decision on "Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries" (the Enabling Clause). The idea behind the Enabling Clause was to provide appropriate flexibility to developing countries to help them integrate into world trade. It was unfortunate that by the time the LDCs had started to increase their trade linkages with other developing countries, certain provisions in the EPAs could create constraints to South-South trade. He emphasized the importance of trade preferences which could provide commercial value to the LDCs. In this regard, his authorities were working towards the implementation of DFQF market access for the LDCs, in line with the Decision taken at the Hong Kong Ministerial Conference. He also encouraged the LDCs to engage fully in South-South trade through participation in different regional schemes, including through participation in the GSTP negotiations.

19. The representative of Tanzania congratulated the Chairman on his re-election. He thanked the Secretariat for its comprehensive note. He associated himself with the statement made by the representative of Lesotho, on behalf of the LDCs. The note was useful as it reviewed the market access conditions facing LDC exports. He recalled the Decision taken at the Hong Kong Ministerial Conference to provide DFQF market access to the LDCs. In this regard, exclusion of 3 per cent of products originating from LDCs from the DFQF coverage could greatly affect the LDCs, including the chance of increasing the world share of LDC exports. The exports from LDCs were dominated by primary products such as fuels and minerals. In fact, oil had accounted for more than 50 per cent of all LDC exports in 2005. This lack of diversification of LDC exports was a cause of concern. He pointed out that global trade today was characterized by an increase in the share of services trade and by a rise in high technology products for which LDCs were ill equipped to survive the competition. He added that in an environment where trade in advanced technology products and services provided the countries with a cutting edge competitive advantage, LDCs with their supply-side constraints would not be able to increase their exports. The issue, therefore, was not only to secure enhanced market access for LDC products but also to strengthen capacity to produce marketable goods and services. He underlined the need for significant investment in existing and potential export sectors, providing training to the work force to enhance skills and the need to pursue technology transfer to the LDCs which would enable them to trade more at a global level.

20. The representative of the European Communities responded briefly to the comment made by the representative of Brazil concerning the EPAs. She pointed out that an information session had been organized recently in which Brazil had been present. At that session, the EC had explained the status of the EPA negotiations including providing detailed explanations on the MFN clauses in the EPAs. She pointed out that those MFN clauses would be applicable to future free trade agreements (FTAs) that might be concluded by EPA parties with third countries that would be considered major trading economies. That would in no way put into jeopardy the rights of the EPA parties to select their own sensitive products *vis-à-vis* the EC. She added that such MFN clauses were not a novelty in trade agreements and that Brazil had similar provisions in trade agreements with its regional trading partners.

21. The Chairman thanked delegations for welcoming his re-election and for their kind words to him. The Secretariat would seek to incorporate the comments made by Members into its next study on this topic which would be available at the meeting of the Sub-Committee scheduled for October 2008. He said that the prices of food products had been rising over the past year. The LDC

agricultural exporters had been experiencing a deficit in their trade balance. That was a cause of concern. It would be worthwhile to have an in-depth examination of these issues. He requested the Secretariat to delve further into the matter and indicate how the food price situation was evolving. He informed Members that he had had a meeting with the Secretariat to request an initial paper on this topic. He hoped that a paper on LDC trade in food and agricultural products would be available for the next meeting of the Sub-Committee tentatively scheduled for June 2008.

22. He continued by suggesting that at its next meeting the Sub-Committee might wish to discuss the status of the EIF and its relation with Aid for Trade. In this regard, he underlined the importance of trade-related capacity building in the LDCs, in particular enhancing LDCs' supply-side capacity. There were a considerable number of players involved in providing trade-related capacity building support to the LDCs. Members would be able to use the Sub-Committee as a forum to provide them with a complete picture of the efforts being made by the international community in these areas. He suggested that the Sub-Committee take note of the document contained in WT/COMTD/LDC/W/41/Rev.1 and of the statements made.

23. It was so agreed.

- *Market Access Issues for Least-Developed Countries in the area of Trade in Services (JOB(07)/32/Rev.1 and JOB (07)/148)*

24. The Chairman recalled that the two Secretariat notes, contained in JOB(07)/32/Rev.1 and JOB(07)/148, had been considered at the previous meeting of the Sub-Committee. At that meeting, Members had shown an interest in the continuation of the consideration of these two notes which presented certain issues of interest to LDCs in the area of trade in services, including information sheets on services trade and service sector reforms undertaken by the LDCs. He invited Members to take the floor.

25. The representative of Lesotho said that trade in services was different from trade in goods. Availability of services trade data was limited. In that context, he appreciated the efforts by the Secretariat in compiling information on LDCs' services trade. The LDCs had been exploring on how best to build on the information that had been provided in the notes. He suggested that the Secretariat pull information from other sources to supplement the information that had been provided in its notes. A number of organizations had undertaken services sector studies or assessments in the LDCs. It would be useful to listen to the findings of those studies at the Sub-Committee.

26. He noted from the Secretariat document that a large number of LDCs had undertaken reforms in their services sectors on an autonomous basis and independent of the Doha Round of negotiations. Fundamental reforms were being carried out in sectors such as telecommunications, finance, transport or health, where foreign companies were allowed to operate in the LDCs. He added that access to foreign companies was given in critical sectors like energy services. He regretted the fact that despite such efforts from the LDCs to liberalize their services sectors, no tangible progress had been achieved in the liberalization of market access in sectors and modes of supply of export interest to the LDCs, particularly in the developed country markets.

27. He went on to say that the services negotiations had so far failed to create opportunities for LDCs' services and service suppliers. In that context, he called upon Members to undertake commitment in sectors and modes of supply of export interest to the LDCs. The LDCs were currently engaged in the Special Session of the Services Council to implement the modalities adopted in 2003 for the special treatment for LDCs in the negotiations on trade in services. These modalities were meant to enhance the participation of LDCs in services trade. They required that Members develop an appropriate mechanism to grant special priority to the LDCs. He said that Members had been reflecting on the establishment of such a mechanism for a long time. With a genuine will from the

Members, it would not be difficult to find a legally feasible solution to provide LDCs with an appropriate mechanism which would allow effective market access to their services and service suppliers. He emphasized the need for an urgent decision in this regard so that LDCs' services and service suppliers could be integrated into world services trade.

28. In conclusion, he recognized the efforts of the Secretariat in compiling some important data in both the Secretariat notes under the item. He suggested that the Sub-Committee invite international organizations which had undertaken work in the area of trade in services, particularly in the LDCs, to share their findings with Members. That would help LDCs enhance their knowledge and understanding on services trade as well as better pursue their interests in this area of the negotiations.

29. The Chairman said that both the notes under this item contained useful information in the area of trade in services in LDCs. There was significant potential for LDCs in services trade. A number of LDCs were performing well in the tourism sector, which was one of the world's largest and fastest-growing industries. He also recognized that different service sectors had been playing different roles in different LDCs. He said that the Coordinator of the LDCs, Lesotho, had raised a particular question concerning the involvement of organizations other than the WTO Secretariat which had undertaken some work in the area of trade in services in LDCs. In this regard, he noted that a number of LDC country-specific studies had recently been undertaken by some organizations. He agreed with the suggestion made by the Coordinator of the LDCs to invite some of these organizations to the Sub-Committee. That would help Members to better understand services trade in the LDCs. He suggested that Members take note of the statements made. He requested that the Secretariat explore the possibility of inviting one or more relevant organizations to the next meeting of the Sub-Committee to make a presentation on studies undertaken in favour of LDCs in the area of trade in services.

30. It was so agreed.

C. LEAST-DEVELOPED COUNTRIES TRADE MINISTERS' MEETING HELD IN MASERU FROM 27 TO 29 FEBRUARY 2008

- *Report by the Coordinator of the Least-developed Countries*

31. The Chairman recalled that the Coordinator of the LDCs, Lesotho, had hosted an LDC Trade Ministers' meeting in Maseru from 27 to 29 February 2008. The meeting had adopted the Maseru Declaration, which had been circulated to Members as document WT/L/719. In addition to the LDCs, the meeting had also brought together a number of LDCs' major trading partners and several international organizations dealing with trade. He had also taken part in that meeting in his capacity as the Chairman of this Sub-Committee. He congratulated the Government of Lesotho for the quality and the efficiency with which the meeting was organized. He invited the Coordinator of the LDCs to make a report on that meeting.

32. The representative of Lesotho said that the LDC Trade Ministers had met in Maseru, Lesotho, from 27 to 29 February 2008. Thirty-eight LDCs took part in that meeting. Around 23 LDCs were represented at a Ministerial level. The meeting had adopted the Maseru Declaration, which had been circulated as document WT/L/719. The meeting had also offered an opportunity for the LDCs to dialogue with their major trading partners from developed and developing countries. Agencies involved with trade had also been invited to participate. He thanked the Chairman for his participation at that meeting.

33. The agenda of the meeting covered a broad spectrum of key issues of the DDA negotiations, namely: Agriculture; NAMA; Services; Trade Facilitation; TRIPs; and Rules. The Director-General of the WTO briefed the Ministers on the current state of the DDA negotiations as

well as on progress made on the Aid for Trade initiative. The Secretary-General of UNCTAD gave a briefing on the UNCTAD XII Conference scheduled for 20 to 25 April 2008 in Accra, Ghana.

34. He went on to say that at the forefront of the LDCs' concerns was the issue of enhanced market access for LDC products. LDC exports depended on a limited number of products. Therefore, the LDCs needed effective DFQF market access to both developed and developing country markets. Minimizing the effects resulting from the erosion of trade preferences was another objective of the LDCs in the current negotiations. He stressed that the issue of cotton was critical for the LDCs, which should be effectively and expeditiously addressed.

35. The Maseru Declaration identified several specific negotiating outcomes desired by the LDCs in the DDA. He recalled that Members had agreed in 2005 that developed country Members would provide DFQF market access for at least 97 per cent of products originating from the LDCs. In this regard, the Maseru Declaration called upon Members to ensure commercially meaningful market access for at least 97 per cent of the products from all LDCs by the end of 2008. At the same time, the Maseru meeting expressed concern that the flexibility given to Members for excluding 3 per cent of products originating from LDCs could leave out a significant number of LDC products from the coverage of DFQF access. That was why the Maseru Declaration asked the developed countries to phase-in the remaining 3 per cent of products originating from LDCs under the DFQF coverage by the end of the implementation period of the Round. He said that the Maseru meeting also underlined the importance of making progress in securing DFQF market access to developing country markets.

36. The Maseru meeting had stressed that increased market access opportunities would mean little to the LDCs, unless accompanied by simplified and transparent rules of origin. In this regard, the Maseru Declaration asked WTO Members to modify their rules of origin following the model provided in the LDC proposal on rules of origin, submitted in three negotiating bodies as documents TN/CTD/W/30, TN/MA/W/74 and TN/AG/GEN/20. He said that with a view to addressing erosion of preferences, the LDCs would like to see both trade and non-trade solutions as part of the modalities for agriculture and non-agricultural market access (NAMA). In this regard, the LDCs were particularly requesting the US and the EC to phase-in tariff cuts on certain identified tariff lines, mostly on textiles and clothing, over a 15 year period. That would allow LDCs a reasonable period of adjustment and breathing space to the new trading order resulting from the conclusion of the DDA negotiations. He said that many LDCs were concerned that the sector-specific liberalization initiatives in the NAMA negotiations risked completely eliminating the margin of preference that LDCs had been receiving in their major markets. The elimination of tariffs on fish and fish products by major markets – a proposal currently under discussion – would be devastating for some coastal LDCs. In this regard, he quoted the position of the LDCs as laid down in the Maseru Declaration: "The sectoral initiatives of the NAMA negotiations shall not harm the export interests of LDCs due to erosion of their preferences".

37. He continued by saying that the Maseru Declaration had articulated the position of LDCs in other areas of the negotiations such as Agriculture, in particular in the areas of Special Safeguard Mechanism and monetization of food aid. The Declaration also outlined LDC positions in the negotiations on Services, Trade Facilitation, Trade-related Intellectual Property Rights (TRIPs), Rules including Fisheries Subsidies and on Special and Differential Treatment provisions. Concerning accession of LDCs to the WTO, he recalled the General Council Decision of December 2002 which had requested Members to expedite and facilitate the accession of LDCs to the WTO. He expressed concern that acceding LDCs were being subjected to rigorous scrutiny causing them significant delay in joining the WTO as a full Member. The EIF and Aid for Trade also featured in the Maseru Declaration. He requested Members to take a close look at the Maseru Declaration, which formed the basis for the LDCs to pursue their interests in the current phase of the DDA negotiations. He urged Members to positively respond to the LDC proposals made in different areas of the negotiations as reflected in the Maseru Declaration. He expressed concern that Members lacked a proactive



engagement, as illustrated in the debate under the previous agenda item relating to services where Members had shown reticence in dealing with issues of interest to the LDCs.

38. The representative of Canada congratulated the Chairman on his re-election. He congratulated the Government of Lesotho for hosting the LDC Trade Ministers' meeting, which was the fifth of its kind. His delegation was particularly honoured that it had been invited to that meeting. The timing of the meeting was opportune, given the current state of the DDA negotiations. His delegation was pleased that the LDCs were able to lay out their interests in different areas of the negotiations under the DDA. His delegation took note of the points made by the representative of Lesotho and would give them close consideration in the negotiations. He reaffirmed his delegation's commitment to work with the LDCs to advance the DDA negotiations.

39. The Chairman hoped that Members had taken due note of the concerns and interests expressed by the LDCs in the Maseru Declaration. He would remain available to the LDCs in his capacity as the Chairman of the Sub-Committee so as to advance the interests of LDCs in the multilateral trading system. He suggested that the Sub-Committee take note of the Maseru Declaration as contained in document WT/L/719, as well as of the statements made.

40. It was so agreed.

D. OTHER BUSINESS

41. The Chairman said that UNIDO had requested that the Vienna Ministerial Declaration adopted by the LDC Ministerial Conference held in Vienna in November 2007 be brought to the attention of the Sub-Committee. Copies of that Declaration were available at the back of the meeting room. He invited the representative of UNIDO to take the floor.

42. The representative of UNIDO thanked the Chair for highlighting the Vienna Ministerial Declaration at the meeting. That Declaration resulted from the successful LDC Ministerial Conference held in Vienna from 29 to 30 November 2007. He informed Members that UNIDO had been urged to hold such meetings at a regular interval. The next Ministerial meeting was scheduled to take place in Cambodia towards the end of this year.

43. The representative of Senegal thanked the representative of UNIDO for sharing the information on the next Ministerial meeting to be held in Cambodia this year. In this regard, he wished to know the exact date of the meeting. He expressed appreciation to UNIDO for its work in the West African region, in particular under the framework of a sub-regional group of eight countries in West Africa. He supported the programme of UNIDO in strengthening standards-related capacity in the LDCs. Referring to paragraph 11 of the Vienna Ministerial Declaration which had invited UNIDO to create a special Trust Fund for the LDCs, he sought information on progress made in the creation of that Trust Fund.

44. The representative of Lesotho underlined the importance of the Vienna Ministerial Declaration for the LDCs. He expressed appreciation to UNIDO for bringing that Declaration to the attention of WTO Members. He pointed out that the support from UNIDO would be critical for the LDCs to take advantage of the opportunities that were being created through the DDA negotiations. Organizations such as UNIDO, ITC and others could help LDCs in building necessary capacity to benefit from the outcome of the WTO negotiations. The LDCs would work closely with UNIDO in developing appropriate programmes to improve their trade capacity.

45. The representative of UNIDO thanked the representatives of Senegal and Lesotho for their support to UNIDO's work. So far, he did not have any specific information on the creation of a special Trust Fund for the LDCs. In this regard, he would provide more information at a future

meeting of the Sub-Committee. He said that the Ministerial Conference held in November 2007 had enabled UNIDO to mobilize some funds in the recent months. It had been able to secure a good amount of contributions, in the context of the Aid for Trade initiative. He was not sure whether those contributions had been made in the context of a special Trust Fund for the LDCs. With regard to the query on the date of the Ministerial meeting in Cambodia, he said that the meeting might take place in the month of November this year. The exact date would be communicated in due course.

46. The Chairman said that he had participated in the Ministerial Meeting held in Vienna in November 2007. That meeting had been rich in substance. The meeting had allowed the LDCs to concentrate on their development strategies. He had found the presentation made by Professor Erik Reinert at that meeting interesting, showing the history of development of the currently developed countries. He felt that UNIDO could make important interventions in specific programmes, especially in the manufacturing sector in the LDCs. Another important area of UNIDO's intervention was in the area of standards. He hoped that the cooperation between UNIDO and the LDCs and that of UNIDO and the WTO would be further strengthened. He suggested that the LDCs remain in close contact with UNIDO to follow-up on the Ministerial meeting of November 2007.

47. The representative of Cambodia thanked UNIDO for holding the next Ministerial meeting in his country in the month of November this year. He invited Members to attend that meeting. He requested that UNIDO remain in touch with the Permanent Mission of Cambodia in Geneva and provide the latter with necessary documents relating to that Ministerial meeting. That would also help his authorities to arrange necessary logistics for the November meeting.

48. The Chairman expressed satisfaction with the fact that the LDCs had been developing the capacity to organize large meetings such as the one organized by Lesotho recently and the one to be organized in Cambodia later this year. He had participated in a few meetings hosted by the LDC Governments, which had all been organized with a high level of efficiency. He appreciated the determination of the LDCs in organizing meetings to pursue their interests in the current Round of negotiations as well as to improve their trade capacity. He suggested that Members take note of the Vienna Ministerial Declaration as well as of the statements made.

49. It was so agreed.

50. The Chairman said that the next meeting of the Sub-Committee was tentatively scheduled for the end of June 2008. The exact date would be communicated in due course.

51. In the absence of any other business, the meeting was adjourned.

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