



Committee on Trade and Development Fiftieth Special Session

NOTE ON THE MEETING OF 24 JUNE 2015, RECONVENED ON 16 SEPTEMBER 2015

Chairperson: Ambassador Tan Yee Woan (Singapore)

A. ADOPTION OF THE AGENDA ..... 1
B. REVIEW OF THE STATUS OF WORK ON SPECIAL AND DIFFERENTIAL TREATMENT ..... 1
C. OTHER BUSINESS ..... 3
RECONVENED SESSION ..... 3

A. ADOPTION OF THE AGENDA

1. The agenda as contained in Airgram WTO/AIR/TN/CTD/2 of 5 June 2015 was adopted.

B. REVIEW OF THE STATUS OF WORK ON SPECIAL AND DIFFERENTIAL TREATMENT

2. Before addressing agenda item B, The Chairperson reported to Members on an informal small group meeting that she had convened for 10 June. The objective of the meeting was to review and discuss the status of work, particularly the work being undertaken by the proponents on developing textual proposals on the 25 special and differential treatment (S&D) provisions identified by them earlier in February 2015, and to give delegations an idea of what to expect in terms of discussion for the formal meeting. She stated that the delegations of Argentina; Australia; Bangladesh; Barbados; Brazil; Cameroon; Canada; China; Colombia; Cuba; Egypt; the European Union; Hong Kong, China; India; Indonesia; Japan; Lesotho; Mexico; Nepal; New Zealand; Norway; Switzerland; and the United States had attended the small group meeting. In sharing her thoughts, she stated that without having seen the textual proposals, it was difficult to have a sense of the scope of the work in the Special Session of the Committee on Trade and Development (Special Session). She, therefore, urged the proponents to circulate the proposals as soon as possible. She stated that during the course of the small group meeting, the proponents had informed that they were finalizing the submission of a consolidated list of proposals and hoped to table them before the forthcoming formal meeting of the Special Session on 24 June. The Chairperson went on to state that certain procedural questions had been raised by some Members, such as: (a) how work in the Special Session would proceed; (b) would Members negotiate on the textual proposals in preparation for the finalization of the July Work Program; (c) if so, would the negotiated text be reflected in the Work Program; (d) if not, then how would the proposals be reflected in the Work Program; and (e) what would be the contribution of the Special Session to the Work Program in July and thereafter for the WTO's 10th Ministerial Conference (MC10) in Nairobi.

3. The Chairperson added that some Members had felt that these questions were relevant, but not unique to the Special Session alone. They felt that answers to many of these questions could only be considered after the proposals had been tabled and seen by Members. Members generally agreed that coming up with a Work Program by July 2015 was a priority for them and this could subsequently pave the way for delivering a substantive outcome for Nairobi.

4. There were no comments from Members on the report by the Chairperson. Having concluded her report, she invited Members to make comments. No Member requested the floor.

5. The Chairperson then proceeded to take up agenda item B. She said that even if the proposals had not been introduced, she intended to discuss other related issues, such as the pace of work in the Special Session from then on to the end of July. She invited proponents to brief Members on the status of their work on the textual proposals. She also invited Members to express views on how to structure and plan future work in the Special Session.

6. The representative of Egypt, speaking on behalf of the African Group, stated that the Group was working in the G90 format to submit combined proposals with a view to strengthening the S&D provisions in accordance with paragraph 44 of the Doha Declaration. He added that work had been concluded at the technical level and awaited political endorsement in the very near future.

7. At this stage, the Chairperson intervened to urge an early submission of the textual proposals. In this context, she underlined the fact that Members had very little time left until 31 July. She also recalled that a formal meeting of the General Council was scheduled for 27-28 July and she anticipated that the Special Session would be required to report on its work to the General Council at that meeting.

8. The representative of Nepal, speaking in his capacity of the LDC Group's focal point on trade and development, associated himself with the views expressed by the delegation of Egypt, on behalf of the African Group. He stated that the LDCs attached great importance to S&D and that following paragraph 44 of the Doha Declaration, they had identified 25 provisions with a view to making them precise, effective and operational. He recalled that a list containing these provisions was tabled by the LDC Group at an informal open-ended meeting of the Special Session in February 2015. He also added that the LDCs were working towards tabling a combined G90 submission. In reiterating the LDC Group's commitment to completing the process at the earliest, he requested the Chairperson to consult with the proponents before convening the next meeting.

9. He went on to state that strengthening S&D provisions with binding effect should be an integral part of the post-Bali work program. He also expressed hope that the Group would receive active cooperation and engagement from Members in finding solutions on S&D by MC10.

10. The representative of the United States stated that his delegation continued to look forward to engaging constructively on the proposals. However, he cautioned that delay well beyond what they had been led to expect would seem to complicate prospects for meaningful engagement. The United States would need time to process the proposals and be able to engage.

11. The representative of Argentina expressed the hope that the proposals would be tabled sooner than later and that his delegation was eager to engage in substantive discussions. He added that since the focus of the Doha Round was on development, it would be inconceivable to agree on a post-Bali work program without the issues within the purview of this Committee.

12. The representative of Nigeria said that there was no lack of effort from proponents. It was not easy to work within groups in order to come up with a consolidated proposal. Nonetheless, the work at the technical level had been completed and they only awaited political endorsements that should happen soon.

13. The representative of the European Union stated that her delegation remained committed to finalizing the post-Bali work program as well as completing the DDA. The EU was ready to discuss on the basis of concrete proposals that should be put forward by the proponents. As in all areas, the main focus of efforts should be on issues of concern to LDCs. Pragmatism, realism and doability should guide the discussion for any real progress by MC10.

14. The delegation of Japan stated that development should be an essential pillar of the post-Bali work program. It was a fact that S&D issues had been on the table for quite some time and had been discussed intensively without real substantive outcomes. Finding realistic solutions to these issues was a tough challenge because some of the proposed solutions could undermine the basic concepts of the WTO. Nonetheless, he expressed Japan's readiness to engage constructively, once the proponents had tabled the textual proposals which he hoped would be done soon

15. The Chairperson thanked the proponents for their intense work at the technical level and urged them to formally table the textual proposals in the coming days, so that the Special Session could proceed with substantive work on them. She also took note of the request made by the representative of Nepal and indicated that she would consult with the proponents before convening the next formal meeting

### C. OTHER BUSINESS

16. No issue was raised under Other Business.

17. The Chairperson hoped that over the coming weeks, Members would work constructively in advancing the work in the Special Session.

18. The meeting was suspended until further notice.

### RECONVENED SESSION

19. The 50<sup>th</sup> Special Session of the Committee on Trade and Development (Special Session) was reconvened on 16 September 2015.

20. The Chairperson recalled that the 50<sup>th</sup> formal meeting of the Special Session held on 24 June 2015 was suspended so that it could be reconvened quickly, as and when the textual proposals were tabled by the proponents. On 30 July 2015, the Special Session had received a G90 submission containing detailed textual proposals on the 25 S&D provisions that had been identified by the proponents earlier in the year. These were contained in a dual-symbol document JOB/DEV/29-JOB/TNC/51.

21. The Chairperson offered the floor to the proponents with the request to formally introduce their proposals.

22. The representative of Barbados, on behalf of the G90, began by saying that S&D was an integral component of the WTO. This was evidenced by the fact that the S&D was reflected in more than 148 provisions in WTO Agreements. However, the challenge was that the S&D regime had not assisted developing countries, in particular, LDCs, SVEs, and low-income developing countries, to participate effectively in the multilateral trading system (MTS), mainly because most of the S&D provisions were couched in hortatory and best endeavour language and had not been fully operationalized. Also, in general, complex procedural hurdles were built into the relevant S&D provisions, thereby diluting the intended flexibilities. In addition, a number of other S&D provisions lacked clarity.

23. She went on to state that at the beginning of the DDA negotiations, developing countries had submitted 88 Agreement-specific proposals for negotiation, from which 28 Agreement-specific proposals were agreed, in principle, at the Cancún Ministerial Conference, but were not formally adopted. However, at the Hong Kong Ministerial Conference, Members were able to take concrete decisions on only five of the LDC-specific proposals, though the implementation of some of those decisions still remained unsatisfactory. In line with the mandate in paragraph 44 of the Doha Declaration, the G90 had recently identified 25 S&D proposals for consideration by the Special Session. The G90 felt that these proposals were crucial for promoting industrialization, increasing the productive capacity in developing countries and LDCs to enhancing their capacity to participate effectively in regional and global value chains, thereby facilitating the G90's participation in the MTS.

24. The G90 submission contained in JOB/DEV/29-JOB/TNC/51 was based on a thorough review of the S&D provisions in the WTO Agreements. The review included: evaluating whether the provisions were operational based on a review of the challenges Members have faced in trying to access the flexibilities; assessing the added value of reviewing the provisions to make them more "precise, effective and operational"; reviewing the proposals presented by developing countries since the mandate of paragraph 44 of the Doha Ministerial Declaration was established, and why meaningful progress could not be achieved on them in the past 14 years. These included the proposals tabled in the process by the African Group, the LDC Group, and the ACP Group, as well as proposals by other developing country Members.

25. After the general remarks, the representative of Barbados proceeded to introduce the proposals.

26. Proposal Number 1 dealt with sections A and C of GATT Article XVIII on infant industry protection. These sections were intended to allow developing countries and LDCs to modify or withdraw concessions or provide governmental assistance in order to protect infant industries. However, the conditions and procedures for invoking infant industry measures were too stringent and made it difficult, if not impossible, for developing countries and LDCs to utilize these provisions. There were elaborate consultation procedures and developing countries could be required to provide compensatory adjustments, or could be subject of retaliation. The initial duration of the infant industry measure was also not clear. If history be the guide, Section A had never been utilized since the inception of the WTO. Three developing countries had sought recourse to Article XVIII:C, which had even more onerous conditions and could be taken as a measure of last resort, but no results were achieved for those countries. In order to address the challenges above, the proponents had now proposed a simple process for temporary modification or deviation from WTO commitments for an initial period of 15 and 20 years (renewable) for developing countries and LDCs respectively, using a broader definition of infant industry that also included industries affected by climate change or hostilities.

27. Proposal Numbers 2 and 3 dealt with Article XVIII Section B and the Uruguay Round Understanding on Balance-of-Payment (BOP) Provisions, which allowed Members to impose import restrictions in order to safeguard their BOP situation. Again, due to onerous procedural requirements, developing countries, SVEs, and LDCs had not been able to fully utilize these provisions. Proposal Number 2 sought for better guidelines for determining the adequacy of developing countries' reserves within the context of their economic development programmes. It also proposed a suspension of the right to retaliate against countries that used this Article. Furthermore, it had been proposed that short-term financial flows should also be excluded as they did not give an accurate picture of a country's BOP situation.

28. With regard to Proposal Number 3, developing countries and LDCs had challenges complying with onerous procedural requirements, including "full consultation". The proposal was to use simple consultation procedures in the case of LDCs. The proponents had also proposed that for developing countries, full consultation procedures only be used when it was not appropriate to use simplified consultation procedures. Simplified consultation procedures should also be used when the Trade Policy Review of a developing country Member was scheduled for the same calendar year as the date fixed for the BOP consultations.

29. Proposal Number 4 was on Article XXVIII and its Understanding, which allowed WTO Members to modify or withdraw concessions, after negotiation and agreement with any other WTO Member with which such concession was initially negotiated and with any other WTO Member determined by the Members to have a principal supplying interest. The proposal had three elements. One, clarifying the meaning of substantial interest to include countries which had a significant share of export to the Member wishing to renegotiate its commitments. Two, if the proposed modification or withdrawal adversely affected the exports of LDCs, they needed to be exempted from the impact of such modification or withdrawal. Three, in forming or joining a customs union, developing countries would be allowed to withdraw or modify their tariff commitments in accordance with the common external tariff maintained by the customs union.

30. Proposal Number 5 referred to Article 15.1 of the Agreement on Agriculture - an LDC-specific proposal. It provided that S&D for developing countries must be included in the relevant provisions of the Agreement and the schedules of commitments and concessions. However, LDCs had not been able to fully utilize the S&D provisions because they were couched in hortatory and non-binding language. Therefore, developed country Members must bind all their LDC preferences for agricultural products under Article II of GATT, with a goal to provide duty-free and quota-free (DFQF) market access for all agricultural products on a lasting basis.

31. Introducing Proposal Numbers 6 and 7 that dealt with Article 10 of the Sanitary and Phytosanitary Measures (SPS) Agreement, the delegation of Lesotho stated that the proposal sought to make the notification, by developed countries, of all proposed SPS measures mandatory. The challenge was that the special needs of developing countries and LDCs were not fully taken into account when preparing and applying SPS measures. The proposal, among others, sought a

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longer time-frame for comment and compliance periods for developing countries and the LDCs in view of their capacity constraints.

32. Proposal Number 15 related to Article 12.3 of the Technical Barriers to Trade (TBT) Agreement with obligations similar to Articles 10.1 and 10.2 of the SPS Agreement. It required Members to "take account" of the special development, financial and trade needs of developing countries in the preparation and application of technical regulations, standards and conformity assessment procedures and ensure that these TBT measures did not create obstacles to exports from developing countries. Similarly, the proposal, among others things, sought a longer time-frame for comment and compliance period for developing countries and the LDCs in view of their capacity constraints.

33. Proposal Numbers 8, 9, as well as 17, addressed the Trade-Related Invest Measures (TRIMs) Agreement. They sought to allow developing countries, in particular LDCs, SVEs and low-income countries, to introduce TRIMs inconsistent measures as provided for in Article 4 of the TRIMs Agreement, but without being constrained by GATT Article XVIII. They should also be allowed to introduce new TRIMs including the pursuit of local content development policies, in order to promote domestic manufacturing capabilities, stimulate transfer of technology, promote domestic competition and correct restrictive business practices, among other things. The developing country Members shall notify these new investment measures (effective for an initial 15 years), to the Council for Trade in Goods within six months after the adoption of these measures. This will provide these countries with adequate time to promote industrialization and economic transformation. Given that LDCs are often required to spend a lot of time and resources negotiating extensions, there was a need to exempt LDCs from TRIMs until they graduated from LDC status.

34. Proposal Numbers 10 and 11 related to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). The proposals stated that despite the fact that it was well known that LDCs did not have the capacity to comply with the TRIPS Agreement, they were required to undergo difficult negotiations seeking extension of the limited transitional periods which hardly were sufficient to build a viable technological base. This process consumed a lot of LDC resources. In order to address the above challenges, the G90 had proposed that LDCs should be exempted from the TRIPS Agreement till they ceased to be LDCs.

35. On Proposal Number 11 relating to Articles 70.8 and Article 70.9 of the TRIPS Agreement, the proponents explained that even if LDCs were enjoying the TRIPS transitional period under Article 66.1, they still had to provide a means by which applications for patents for pharmaceuticals and agricultural chemical products could be filed and provide exclusive marketing rights to applicants for patents. The proposal sought a waiver for LDCs from the obligations in Articles 70.8 and 70.9, for as long as a country remained an LDC.

36. The subsequent proposals were introduced by the representative of Bangladesh. Referring to Proposal Number 12, he stated that it pertained to increasing participation of developing countries in services trade. Article IV of GATS was vague, imprecise and not effective, as it did not clearly stipulate the measures that must be taken to increase the participation of developing countries, in particular the LDCs in world trade in services. The proposal was designed to improve the participation of developing countries in trade in services.

37. Proposal Number 13 clarified Article V.3 of GATS. This was an equivalent provision to GATT Article XXIV, and governed the formation of regional trade agreements (RTAs) in the context of trade in services. The challenge was that Article V.3 was couched in vague language; for example, there was no clarity on the meaning of "flexibility", and "more favourable treatment". In order to address these challenges, the proponent proposed that flexibility in North-South RTAs dealing with services and the concept of "more favourable treatment" in the context of South-South RTAs should be interpreted to mean that developing countries would not be required to eliminate substantially all discrimination or comply with substantial sectoral coverage in order to promote progressive regional integration in Services Agreements.

38. Proposal Numbers 14 and 16 related to Subsidies and Countervailing Measures (SCM) Agreement. On Proposal Number 14, the proponents stated that it highlighted the role that subsidies could play in the development process of developing countries and the LDCs and sought

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flexibility for use of non-actionable subsidies. Article 27.1 recognized that subsidies "may" play an important role in economic development programmes of developing countries. However, the challenge was that the use of the word "may" in Article 27.1 did not fully recognize the role played by subsidies in industrialization and economic development. There was also no clarity as to whether subsidies implemented by developing countries, in particular LDCs and SVEs, with a view to achieving legitimate development goals, such as regional growth, technology, research and development funding, production diversification and development and implementation of environmentally sound methods of production would be considered as non-actionable subsidies. In order to address the challenges above, the proponents had proposed to delete the word "may" in Article 27.1 of the SCM Agreement and make it clear that the subsidy programmes used by developing countries, in particular LDCs and SVEs, should be considered as non-actionable.

39. Proposal Number 16 dealt with Article 3.1(b) of the SCM Agreement which prohibited subsidies contingent upon the use of domestic over imported goods. The challenge was that even though Article 27.3 of the SCM Agreement provided a transitional period for developing countries and LDCs to use local content subsidy programme until 2002, they were constrained by obligations in the TRIMs Agreement, which prohibited the use of local content requirements. The other challenge was that the transitional periods that were provided under Article 27.3 of the SCM Agreement had expired, but developing countries and LDCs still needed to use local content subsidies to accelerate industrialization and economic transformation. In order to address these challenges, developing country Members had sought exemption from the obligations in Article 3.1 (b) of the SCM Agreement to allow them to use subsidies contingent on the use of domestic over imported goods.

40. Proposal Number 18 relating to the Customs Valuation (CV) Agreement pointed to an important issue, i.e. the issue of import under-invoicing, which had deprived LDC governments of revenue for development expenditures. The proponents, therefore, proposed that LDCs be allowed to use minimum or reference values to address this issue. The proposal also linked technical and financial assistance, customs cooperation and access to international pricing data to compliance with the provisions of the CV Agreement. It had been proposed that the LDCs should not be required to implement provisions of the Agreement until implementation capacity had been acquired, a principle already accepted in the Trade Facilitation (TFA). Developed countries and developing countries in a position to do so should provide technical and financial assistance to enable LDCs to comply with the Customs Valuation Agreement.

41. Proposal Number 19 dealt with the Agreement on Safeguards. The proponents stated that Article 9.1 provided that exports of a developing country Member may be exempted from safeguard actions by importing WTO Members under certain conditions. Article 9.2 allowed developing countries to enter safeguard measures for another period of two years in addition to the eight years provided in Article 7.3 subject to certain conditions. The major challenge for the developing countries to effectively utilize the flexibilities was the excessive procedural requirements envisaged in the Safeguards Agreement. In order to address these challenges, the proponents had proposed that for instance under Article 9.1, a Member might not apply a safeguard measure on an LDC whose import share into that country was 10% or less, or 3% in the case of developing countries. The proposal also required that while imposing a safeguard measure, developed countries provide a list of Members excluded from safeguard measures. In addition, developing countries should be allowed to extend the application of safeguard measures for an additional period and to take fresh safeguard measures against products that were previously subjected to safeguard measures.

42. Proposal Number 20 related to paragraph 6 of Article XXXVI of GATT and the Declaration on the Contribution of the WTO to Achieving Coherence in Global Economic Policy. Article XXXVI.6 pertained to international lending agencies' financial assistance and its relationship with trade and development. The challenge was that financial assistance provided by international lending agencies was often subject to conditions which undermined the rights of WTO Members under the Multilateral Trade Agreements (MTA) and hence constrained their ability to put in place the necessary instruments to industrialize and boost their exports. Lack of effective coherence between the lending agencies and the WTO in economic policy making undermined, more often, if not always, the negotiated rights of developing countries, in particular the LDCs. In order to address the above challenges, the G90 had proposed that more effective measures be taken to ensure coherence between the WTO and international lending agencies, and that WTO Members coordinate their work to ensure that LDCs were not subjected to conditionalities on loans, grants

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and official development assistance (ODA) that were inconsistent with their rights under the WTO Agreements.

43. Proposal Number 21 referred to the Decision on Measures in Favour of LDCs – Market Opportunities. The challenge was that Most-Favoured-Nation (MFN) tariff liberalization as foreseen in the Doha Round could lead to diminished trading opportunities for LDCs due to preference erosion. Hence, certain general solutions had been proposed to address this problem, mainly by putting obligations on developed countries to provide compensatory and adjustment support.

44. Proposal Number 22 related to the Enabling Clause, which provided the basis for non-reciprocal preferences to developing countries and LDCs. The challenge here was that LDCs and developing countries were not fully consulted when developed countries offered non-reciprocal preferences. In order to address these issues, it had been proposed that developed countries consult with LDCs to ensure that meaningful market access in sectors of their interest was provided under the Generalized System of Preferences (GSP) and other non-reciprocal schemes for LDCs.

45. Proposal Number 23 concerned joint action in the area of trade and development policies. The problem here was that there had not been effective coordination between the WTO and FAO on the vital issue of food security. Certain trade measures could compromise food security for the poor in the developing countries, in particular, LDCs. In order to address the challenge pertaining to food security, it had been proposed that Members collaborate to achieve the objective of food security and to uphold the right to adequate food. More specifically, they had proposed to make the right to adequate food an objective of current and future WTO negotiations. In addition, LDCs should have the flexibility to adjust their applied tariffs beyond the bound level in order to safeguard this human right.

46. Proposal Number 24 referred to state trading enterprises (STEs). STEs fulfilled a range of essential and vital functions in developing countries. The proposal sought to reaffirm the role of STEs and to also clarify that only the MFN principle, and not the National Treatment obligation, fell within the scope of the general principle referred to in Article XVII:1(a).

47. Finally, Proposal Number 25, pertaining to dispute settlement, highlighted the particular problems and interests of developing countries and LDCs, before establishment of a panel as well as during panel proceedings. The proposal also sought to clarify the obligation to "exercise due restraint in raising matters under these procedures involving a least developed country Member" under Article 24.1 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, as well as the phrase that "particular consideration shall be given to the special situation of least developed country Members" to ensure that the needs of LDCs were fully taken into account, including in cases where they participated as third parties.

48. In closing the presentation of the proposals, the representative of Barbados said that the content and rationale of the proposals were not new. The underlying issues had been voiced for more than a decade in the WTO Committees. She hoped that Members would engage constructively in finding satisfactory solutions to the underlying concerns and towards the common goal of achieving a successful development package for Nairobi, including agreement on these proposals.

49. The representative of Argentina welcomed the G90 submission and expressed satisfaction that the proposals sought to implement paragraph 44 of the Doha Declaration, as well as the Decision on Implementation-Related Issues and Concerns. He reminded Members that one of the main reasons why the DDA was launched, was, precisely, to address the imbalances in GATT/WTO rules that had existed for years. In his view, the proposals would give developing countries the policy space they needed for enhanced development of their economies, so that they could be better integrated into the MTS. He added that the forthcoming Ministerial was being held in an African continent, so it was the best context to make progress in crucial areas for developing countries.

50. The representative of Egypt stated that his delegation would like to highlight Egypt's understanding that there was a common acceptance among Members of the importance of development issues. Quoting from a recent statement of the WTO Director-General that the

"Nairobi Ministerial must deliver on development", he invited Members to approach negotiations in a positive and solution-finding mode.

51. The representative of Nepal, speaking on behalf of the LDC Group, stated that while developing the S&D proposals, the proponents had analysed them from the perspective of realism, doability and their relative potential to contribute to the development dimension and the question of larger integration into the world trading system. LDCs held the conviction that S&D provisions were an integral part of the MTS, enshrined in various WTO Agreements and Decisions that were distinctly in favour of the developing country Members, and LDCs in particular. Despite having more than 148 S&D provisions in the WTO Agreements, only a few of them had yielded the desired results. Most of the S&D provisions had inherent structural shortcomings because of their hortatory and best endeavoured nature. This situation had not only subjected LDCs to further marginalization, but could have, in their view, also weakened the credibility of the WTO system.

52. The representative of the United States thanked the G90 for its proposals and stated that for her delegation it was deeply important to find ways to enhance developing countries' integration into the MTS and to increase trading opportunities for them. Nevertheless, she expressed her delegation's concern that nearly all of the proposals appeared to arise from a premise that the rules of the WTO, as they currently existed, were inhibiting economic development, and should be radically revised in order to enable the creation of more, rather than fewer, barriers to trade. She added that they were disappointed that, after two decades of discussion in the WTO, there appeared to be little progress in bridging differences over the most fundamental questions surrounding the relationship between trade and development. The proposals created a perception that the system had not succeeded in demonstrating that open markets and reasonably balanced and applied rules were essential to advancing national economic development. Many of the proposals put forward by the proponents and their advisors appeared to walk back from longstanding WTO rules, and even sought to rewrite those rules. The United States was concerned about the lack of predictability and transparency that would result from such proposals, and because many of the proposals would give enormous flexibilities to countries which did not need such flexibilities. Nonetheless, her delegation would do its best, working with the Chairperson and the members of the negotiating group, to enhance developing countries' integration into the MTS.

53. The representative of Hong Kong, China expressed her appreciation for the G90's effort to consolidate and compile proposals. She hoped that Members, now, could begin substantive discussion on the proposals. She said that her delegation was flexible and open-minded on proposals that could assist LDCs and developing countries to better integrate into the MTS ensuring that these conformed to WTO principles.

54. The representative of India stated that his delegation believed that the MTS was in the best interest of developing countries, especially the poorest and most marginalized among them. The S&D provisions, which were an integral part of the MTS, were meant to enable developing countries and LDCs to meaningfully integrate into the MTS, so as to derive maximum economic benefits. For his delegation, substantial progress and outcomes on the "development aspects" of the Doha Work Program were essential. In this context, his delegation believed that the textual proposals introduced by the G90 provided a useful basis to advance work in this very important area for developing countries, including LDCs.

55. The representative of the European Union recalled that her delegation had repeatedly reaffirmed its support to the centrality of development in the DDA and underlined that the EU was ready to engage constructively on development outcomes for MC10, in particular on issues concerning LDCs. However, most of the current proposals raised a series of concerns and questions. Most importantly, it was difficult for the EU to understand the specific issues that the proposals were trying to address. She added that the criteria that the EU would apply in consideration of the proposals could be summarized in two questions: what difficulties do developing country Members face with the existing S&D provisions? Are we trying to tackle real problems? And if so, were the proposed solutions proportionate with what the proponents intended to achieve through these proposals? Many of the proposals seemed to have as a starting point that whatever was binding in WTO rules was not good for development. The EU, fundamentally, disagreed with this perception. Nevertheless, they were fully committed to work hard and to engage constructively to find pragmatic solutions to real problems faced by the developing countries and the LDCs.

56. The representative of Australia, expressed commitment to engage constructively. However, he expressed surprise and confusion on the G90 proposals, as some of the proposals were more far reaching in scope than those that were deemed unworkable in 2003. Some of the proposals challenged the basic WTO principle of predictability. He added that his delegation would support realistic proposals that granted genuine benefits to countries which needed them, strengthened the multilateral system, and retained predictability of trade.

57. The representative of Chinese Taipei thanked the G90 for its proposals. He hoped that Members could reach a meaningful outcome on S&D proposals and development issues for MC10 in Nairobi. Nonetheless his delegation would highlight some concerns on these proposals in the coming discussion.

58. The representative of New Zealand stated that his country shared the view that development was important and would need to feature in any credible outcome of the Doha Development Round. He said that New Zealand's consideration of the proposals would be guided by the following principles: the extent to which proposals supported and respected the MTS, including whether they built on, rather than detracted from, the existing Uruguay Round Agreements and whether and how they might affect fundamental WTO principles. New Zealand would also look at the specific problems which the proposals sought to address and the relative effectiveness, efficiency and precision of the proposed solutions in the proposals.

59. The representative of Japan found that the proposals were ambitious and unrealistic. She agreed that S&D was an exception to the basic principles of the MTS: "Rule of Law" and "non-discrimination". Considering that the developing Members were more than two thirds of the WTO Membership, Members should be very careful in granting open-ended exceptions, otherwise the whole system would be at risk. In principle, S&D should only be granted to the countries which really needed it, and also to the extent necessary for them to reap the benefits from the MTS. Nonetheless, Japan was ready to engage in the discussion. Members should be pragmatic and realistic if they were serious to achieve a meaningful outcome for MC10.

60. The delegation of Korea said that the proposals covered broad and complex subjects, which would need to be discussed and clarified in the coming weeks. That would allow Members to assess the possible impact of the proposals on the MTS. In addition, since the proposals covered almost all the negotiating agenda, the discussion would be closely related to the progress in other sectors of negotiations. He added that discussions needed to focus on how to better integrate developing countries, including LDCs, into the global economy without undermining the basic principles of the MTS.

61. The representative of Uganda stated that 20 years after the conclusion of the Marrakesh Agreement, LDCs were still awaiting the realization of the promise of integration into the MTS without much success. The LDCs' share in world merchandise trade in 2013 was a paltry 1.24%, with a staggering deficit of US\$60.6 billion. Their participation in world services exports was 0.68%. Investments flowing into LDCs did not present any different picture. According to the 2013 UNCTAD Investment Report, inflows to the LDCs represented only 1.9% of the global figure. LDCs' exports were concentrated on a few products and to a few markets largely because of low productive and manufacturing capacity. What the LDCs looked for in the negotiations on S&D proposals was to assure themselves of a developmental outcome that should be delivered in time for MC10. The work of the Committee should focus on having texts on the proposals that met the DDA test in paragraph 44 of the Doha Declaration. To that end, therefore, the solutions needed to be drafted in legally binding language and not in best endeavour language. These must contribute to addressing the specific challenges faced by LDCs. The outcome solution needed to be precise, effective and operational and result in a better integration of LDCs into the MTS.

62. The representative of Switzerland stated that his delegation was also surprised to note that some of the proposals went considerably beyond what had been previously discussed, notably the Agreement-specific proposals of 2013. Nevertheless, Switzerland remained committed to engaging intensively and constructively on this key DDA component in the limited time left until MC10, with the aim of identifying S&D provisions that had the potential of gathering consensus.

63. The representative of Canada said that his country was committed to working towards a credible Nairobi package, including the S&D component. The discussions in this body should make

an important contribution to that package. Canada was prepared to engage in good faith. He added that the Director-General of the WTO had emphasized the importance of doability in making and pursuing proposals for Nairobi. Their preliminary assessment suggested that many of these proposals would not help developing Members to better integrate into the MTS, but rather would isolate them from global trade and leave them and all WTO Members vulnerable to discriminatory and trade distorting practices. His delegation had particular concerns about the lack of differentiation between developing countries, the inclusion of obligatory technical assistance, the proposed adoption of a reverse consensus approach to decision-making, broad carve outs from WTO obligations and market access demands that simply could not be met. Nonetheless, Canada was prepared to work constructively to reach positive results.

64. The representative of Norway stated that her delegation's first impression was that the list of proposals seemed to be far more comprehensive than what Members could reasonably be expected to reach consensus on within the short timeframe until MC10. Norway would focus on those proposals that it believed would contribute to the effective integration of developing countries into the MTS, in particular those which would bring meaningful economic development for LDCs. Norway would continue to contribute constructively in the negotiations in order to reach consensus before or in Nairobi at the MC10.

65. The representative of Brazil stated that the proposals were currently under examination in his capital. He joined other Members in reiterating the importance of striving to deliver a significant outcome on the development pillar in Nairobi. Now that the proposals had been tabled, Members should engage with an open mind and consider the next steps to make the S&D provisions more precise, effective and operational, as per paragraph 44 of the Doha Ministerial Declaration.

66. The representative of Paraguay believed that increasing international trade flows and encouraging predictability would contribute to job creation and development, especially in countries with small domestic markets. Ambitious results in the Doha Round, by delivering substantial improvement in market access and reducing trade distortions and restrictions, would remain the guiding principles of Paraguay's work.

67. The representative of Venezuela stated that her delegation was ready to work constructively and endorsed the G90 proposals.

68. The Chairperson proposed that the Special Session take note of the statements made.

69. She followed on to state that it was encouraging to hear expressions of commitment to constructively engage from across the room with the aim of producing credible outcomes on the proposals. It was also satisfying to hear that Members remained committed to the fact that S&D was an integral and indispensable component of the overall Doha Round outcome. The first task of the Special Session was to complete a first reading of the 25 S&D proposals, tabled by the G90. This could take place in an informal setting. She proposed to take up proposals sequentially, following the numbering of the proposals by the proponents except for Proposal Number 15, on TBT, which could be read with Proposal Numbers 6 and 7, on SPS. Similarly, Proposal Number 17, on TRIMs, could be discussed along with Proposal Numbers 8 and 9. The Chairperson also indicated that she was making arrangements with the Secretariat to ensure that the experts from the bodies to which the substance of the proposal pertained were present in the meetings to respond to queries or to provide advice or background information.

70. She encouraged Members to engage with an open mind and constructively, with the aim of achieving the goal of making concrete progress by the Nairobi Ministerial.

71. The meeting was adjourned.

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