



EUROPEAN UNION

## Pushing Ahead the Doha Development Agenda

- *Hong Kong is an important milestone in the DDA. We want Hong Kong to achieve a comprehensive and balanced agreement, that sets the stage for advance in 2006.*
- *The European Union welcomes the draft Ministerial text prepared by Pascal Lamy, but believes that, in order to serve as a launching pad for progress in 2006, it should be further elaborated upon in view of achieving a “Framework-plus” Agreement that captures, in a balanced manner, progress achieved since the adoption of the 2004 Framework Agreement on the DDA.*
- *Development must remain central. The needs of the poorest countries must be addressed. The EU proposes a self standing development package for Hong Kong which should include more aid for trade, more flexibilities for the poorer countries, and ensure that all developed countries provide duty free and quota free access to products from the Least Developed Countries (as currently provided by the EU).*
- *We need to ensure that negotiations are balanced, within the different negotiating areas as well as between them. Market opening for goods and services badly needs to catch up, as do talks aimed at strengthening existing rules. All these areas are important for global trade.*

Development must remain central to the negotiating round. A boosting of development can be achieved through several steps. Firstly, through ambitious results in the various negotiating areas, resulting in increased market access and strengthening of rules. Secondly, through ensuring that adequate flexibilities for developing countries as foreseen in the negotiating mandates on agriculture, industrial tariffs, services or trade facilitation. Thirdly, through the adoption of a package aimed at helping the poorest WTO Members; a special development package which would include a substantial “aid for trade” package.

The EU continues to argue that a self-standing development package needs to be agreed in Hong Kong. This would include commitments on granting duty and quota free access for products from the Least Developed Countries to developed country markets, increase in Aid for Trade, Special and Differential Treatment.

The EU is determined to contribute to a fair and market based trading system for **agricultural products**, in a way that is tolerable for the EU’s reforming agricultural sector, and does not undermine the preferential access of the world’s poorest countries to the EU. In this spirit, the EU made a substantial offer in October to eliminate its export subsidies completely, drastically reduce trade distorting domestic subsidies and substantially cut its import tariffs on all agricultural products, including cuts on the most sensitive ones. No other Members have made a remotely comparable effort.

The EU has already been thoroughly reforming its Common Agricultural Policy. It has during the last 15 years, managed to shift away from “trade-distorting subsidies”, to domestic support which does not affect or distort trade. Other developed countries have not undertaken such reforms. Some have even increased their support. There is a need to ensure that trade-distorting agricultural support is dismantled in a levelled manner. Other developed countries will now have to make comparable offers.

Agriculture is important and sensitive for a great number of developing countries. The EU proposes that developing countries should not have to make as high tariff cuts on agricultural products as developed countries, and they should be entitled to special and differential treatment. Least Developed Countries should be free to make no tariff cuts at all if they want.

In the area of **industrial tariffs**, there is a need for an agreement that can create genuine new market access in developed and most advanced developing countries, also through cuts in applied tariffs.

The EU is fully committed to the principle of special and differential treatment – including “less-than-full-reciprocity”. Developing countries should have the flexibility to do less than developed countries. This flexibility should ensure a more equitable tariff landscape where countries with similar levels of development have similar tariff levels.

The EU has made it clear that the poorer developing countries, and in particular the Least Developed Countries and small and vulnerable economies in a similar situation, should be entirely exempt from any tariff cuts, and should only bind tariffs at appropriate levels.

It is important to make sure that the tariff cuts, including those by emerging economies, also create new market access opportunities for weaker developing countries. Increased South-South trade is a vitally important aspect of the development agenda for the Round.

In the area of **trade facilitation**, the EU is looking to improve existing WTO rules that would simplify, standardise and modernise import, export and transit procedures, in particular customs procedures, to the benefit of companies (especially small and medium-sized businesses) and governments (both in developed and developing countries). Improved rules would make a significant contribution to help put trade at the service of development as they would promote transparency, cut red tape and help economies grow.

The EU also advocates a revision of the WTO **anti-dumping** agreement to prevent overzealous, abusive or protectionist use. This will benefit all WTO members, as all countries can be targets of anti-dumping measures that frustrate the benefits of lower tariffs.

Opening of **services** markets is a key area of modern economy and global trade, and it contributes to creating and strengthening the backbone of developed and developing economies alike. WTO Members need to agree on new opportunities for service providers world wide. These opportunities should not least include greater commitments in areas of interest to developing countries.

Negotiations have, however, been stalled by the negotiating method itself (the so-called “request-offer” process). WTO Members must agree on a new approach complementary approach. First WTO Members should agree on the number of service sectors in which *each* Member would make an offer. The number of sectors would be different for developed and developing countries. Second, a critical mass of Members could agree to further liberalisation commitments (e.g. in the sectors of maritime transport, professional services, financial services). The EU believes that developing countries that join such a critical mass should have flexibility: they should be able to test the water in sectors of their choice with transition periods if needed. The EU also believes that the poorest countries should be free to decide whether to open their services markets further.

**Geographical Indications** are denominations that indicate the geographical origin of a foodstuff or handicraft. There is a need to improve the existing WTO rules to ensure a level playing field for all types of goods and to make the system work more efficiently. There is a need to extend the coverage to cover all products and to establish a multilateral register that would make it easier, cheaper and much less burdensome to protect GIs world wide. This would help producers in all countries (including the EU) – but most particularly many producers in developing countries who currently lack adequate protection.