MIDTERM REVIEW OF THE ISTANBUL PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES

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WORLD TRADE ORGANIZATION

Mr. President, Excellencies, Ladies and Gentlemen,

It is a privilege to take part in this Comprehensive High-Level Midterm Review of the Istanbul Programme of Action (IPoA) for the LDCs for the Decade 2011-2020. This is an important occasion for the LDCs as well as for the international community. The WTO commends the holding of this meeting. Our sincere thanks go to the Government and the people of Turkey for hosting this meeting and for their generous hospitality. Since the beginning of the preparatory process, the WTO has attached utmost importance to the Midterm Review. We have regularly participated and occasionally hosted inter-agency consultations to advance the implementation of the IPoA.

The role of trade in the development process has become widely accepted and has been recognized as an essential means of implementation for attaining the Sustainable Development Goals (SDGs). Trade has also been identified as one of the eight priority areas for action in the IPoA. And the WTO and the IPoA share the common goal of better integrating LDCs into the global economy.

LDCs continue to be at the heart of the development dimension of the WTO. The WTO has a longstanding objective of supporting the trade-related elements of the UN Programmes of Action for the LDCs. The Sub-Committee on LDCs monitors the mainstreaming of the trade-related elements of the IPoA into WTO’s work – as they relate to the competence of the WTO.

Most of the trade areas where the international community has called for actions through the IPoA to help LDCs improve their participation in world trade are being addressed in the WTO. These areas include, among others, progress in duty-free and quota-free market access for LDC products, preferential rules of origin applicable to imports from LDCs, LDC accessions, additional transition periods to implement Agreements such as TRIPS, and technical assistance and capacity building support for LDCs.

Over the last five years, the WTO has achieved important progress in helping LDCs improve their participation in the multilateral trading system. Since the adoption of the IPoA in 2011, three WTO Ministerial Conferences have been held – all of which have taken important decisions in favour of LDCs and in support of the goals of the IPoA. The LDC packages adopted in Bali in 2013 and in Nairobi in 2015 have created opportunities for LDCs to increase their export earnings, and consequently, their income levels.

There have been considerable improvements in market access opportunities for LDCs, which is a common aspiration of Members of both the UN and the WTO. Decisions have been taken to advance duty-free and quota-free market access for LDCs. Moreover, in order to facilitate the utilization of preferences by LDCs, WTO Members have agreed on specific provisions on preferential rules of origin.

A defining feature over the course of the past five years has been the progress made in helping LDCs to improve their participation in services trade. Six months after the adoption of the IPoA, the WTO Ministerial Conference in 2011 marked a milestone by allowing Members to grant
preferential treatment to LDC services and service suppliers. Two further Decisions at the WTO Ministerial Conferences in Bali and Nairobi have encouraged Members to intensify their actions. Today, a good number of WTO Members have taken steps to provide LDCs with services preferences with a view to enhancing their services exports.

Actions to improve market access opportunities have been complemented by enhanced flexibilities for LDCs in implementing WTO rules and disciplines as well as in undertaking commitments. The LDCs have been enjoying extended transition periods to delay the implementation of general provisions of TRIPS Agreement until 2021. In addition, in 2015, WTO Members have granted an unprecedented 17-year additional transition period to LDCs exempting them from providing patent protection for pharmaceutical products till 1 January 2033.

Since the adoption of the IPoA, WTO Members have undertaken further efforts to facilitate and accelerate LDC accessions to the WTO. The 2002 LDC accession guidelines were strengthened in 2012 providing the LDCs with a better framework to negotiate their terms of joining the WTO. Since 2011, six LDCs have successfully concluded their accession to the WTO. The current LDC membership in the WTO will increase to 36, once Afghanistan and Liberia conclude their domestic ratification processes. A further six LDCs are at various stages in their accession process to the WTO. The LDC Members account for more than one fifth of the WTO Membership and therefore represent an important constituency in the WTO.

The other achievements of the multilateral trading system over the last few years – the adoption of the WTO Trade Facilitation Agreement in 2013, the decision to eliminate agricultural export subsidies in 2015, the dedicated review of trade-related developments on cotton – also hold promise to the benefit of LDC economies.

LDC issues continue to remain at the core of the WTO’s work. Continued priority to LDCs is being maintained in the delivery of WTO training and technical assistance. Special needs of the LDCs are being addressed by the LDC Unit housed in the Development Division of the WTO.

Despite the efforts made to better integrate the LDCs in the multilateral trading system, challenges remain. Since 2011, the participation of LDCs in world merchandise trade has witnessed a gradual increase. However, due to sharp decline in commodity prices, the share of LDC in world merchandise exports fell to slightly below 1% in 2015. The LDCs indeed are somewhat distant from the IPoA goal of doubling their share in global exports to 2% by 2020.

That is why more efforts are required across a broad front, both by the LDCs themselves as well as by the international community. The WTO is working with other international organizations to address the challenges faced by the LDCs to expand their trade. By creating favourable conditions for LDC trade, the WTO supports the LDCs to move up the growth trajectory and ultimately graduate from the LDC category, which has been the overarching goal of the IPoA.

Thank you for your attention.