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THE DEVELOPMENT ROUND

Communication from Bolivia, Colombia, Ecuador and Peru

The following communication, dated 14 December 2005, is being circulated at the request of the Delegation of Peru on behalf also of Bolivia, Colombia and Ecuador.

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1. For the Doha Round to meet its objective of being the Developmental Round, its outcome must be a substantial market access improvement in those sectors or economic activities where developing countries have comparative advantages, especially in Agriculture, non-agricultural products and temporary movement of service providers. It must also lead to adequate treatment of our biological/genetic material and associated traditional knowledge of our native population.
 2. We, as co-sponsors of this communication, believe and emphasize that any "development package" must include ambitious results to accomplish the mandate of the fullest trade liberalization for tropical products and products of particular importance in crop substitution of illicit narcotic production.
 3. We would also like to stress that the development package to be complete it should include a comprehensive and predictable program on Aid for Trade, an important instrument to actually help developing countries.
 4. The distorting effects of high subsidies for domestic agricultural production in industrialized countries have led to oversupply in world markets and to artificially low world prices. The effects on developing countries have been an income reduction for farmers and, in many cases, import substitution of domestic production. Social effects have included an increase in the migration of small farmers to large cities thus increasing poverty levels and misery.
 5. Tariff peaks in industrialized countries focus on products of export interest for developing countries. Between 6 and 14 percent of Quad (United States, European Communities of 15, Japan and Canada) tariff lines at six digit level are above 15 percent. The average tariff peaks in the Quad are over 28 percent, which is 4.5 times its total tariff average of 6.2 percent¹.
 6. Perhaps the largest gains for developing countries in the Doha Round can be achieved through the liberalization of temporary labor flows. The positive spillovers that temporary service providers would generate for their home countries in terms of reinvestment of their savings, experience, entrepreneurship, work ethic, etc. are of paramount importance. A program of temporary

¹ Olarreaga Marcelo and Ng Francis "Tariff Peaks and Preferences" in "Development, Trade and the WTO: A Handbook". World Bank 2002.

work visas for one or two years in the rich countries would be one the most important contribution that the Doha Round could make to developing economies.

7. We consider that it is of the outmost importance to discuss in detail the relationship between the TRIPS Agreement and the Convention on Biological Diversity, as a key element of the development package. In that sense, the discussion must cover the requirements on patent applicants of disclosing, as a condition for granting the patent, the source and country of origin of the biological/genetic material and associated traditional knowledge used in their invention, as well as evidence of prior informed consent and benefit sharing requirements.

8. Developing countries like the co-sponsors of this communication, have applied structural adjustment policies, including the liberalization of the flow of goods and capitals, in spite of their high political and social costs, as we believe that an authentic free trade is the path for development. It is now up to developed economies to make their doctrine of liberalization compatible with the extension of free trade coverage for products of export interest to developing countries and extend the current liberalization of flows of goods and capitals to the mobility of service providers.
