

WORLD TRADE ORGANIZATION

WT/MIN(05)/18
15 December 2005

(05-6001)

MINISTERIAL CONFERENCE
Sixth Session
Hong Kong, 13 - 18 December 2005

Original: English

MINISTERS' STATEMENT ON MFN TRADE LIBERALIZATION

Communication from Bolivia, Colombia, Costa Rica, Ecuador, Nicaragua,
Panama, Peru, Paraguay, Pakistan and Uruguay

The following communication, dated 15 December 2005, is being circulated at the request of the delegations of Bolivia, Colombia, Costa Rica, Ecuador, Nicaragua, Panama, Peru, Paraguay, Pakistan and Uruguay.

The Governments of Bolivia, Colombia, Costa Rica, Ecuador, Nicaragua, Panama, Peru, Paraguay, Pakistan, and Uruguay reaffirm that moving towards MFN trade through the substantive reduction of import duties and other trade barriers, is a fundamental objective of multilateral trade negotiations and of the WTO. The elimination of discriminatory treatment in the international trade relations is an essential goal as well.

This accomplishment would assure that international trade contributes to enhance the economic growth and development of all Members. Substantive market access improvements would allow developing countries to benefit from freer trade.

The mandate to address the issue of erosion of long-standing preferences is a commitment to find ways to help those countries that may face challenges as a result of the trade liberalization outcome of the Round; due to their heavy dependence on preferential treatment. Preference erosion is inherent to the correction of discriminatory treatment. It is inherent to the joint progress towards MFN trade. Therefore, the mandate on preference erosion, could not be interpreted as a mandate to maintain the distortions created by preferences nor to delay or reduce market access results when it erodes preferential margins.

Our Governments reiterate that the multilateral trade negotiations are not about finding ways to preserve distortions, such as discriminatory preferences, nor about establishing longer periods or lesser results. The erosion of non-reciprocal as well as reciprocal preferences is an unavoidable outcome of the multilateral liberalization process. What's more, it is part of the goals that motivated our support to the launching of the Round since we are convinced it will favor all WTO Members.

Our Governments reaffirm that the greatest contribution the Round could make to developing countries will come from ambitious results on market access, which will allow them to benefit from it.

Solutions to the erosion of long-standing preferences cannot be the continuation of the existing discrimination amongst developing countries. The Doha Development Round must not depart from its

mandate of achieving substantial market access for all developing countries in order to live up to its name.

Solutions must come in a way that addresses the needs of Members who will face difficulties as a result of the erosion of their preferences. We are strongly committed to support an ambitious financial solution that would help these Members on the supply side, and it should come in the form of Aid for Trade from international financial institutions.
