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## Ministers agree on declaration that 'puts Round back on track' back to top



Ministers from the WTO's 149 member governments approved on 18 December a declaration that many described as significant progress both since the July 2004 "package" and after six days of intensive negotiations in Hong Kong which the chairperson described as "working like a dog". Despite the long hours and hard work, "it was worth it," WTO Director-General Pascal Lamy told a press conference late in the evening of the final day. "We have managed to put the Round back on track after a period of hibernation."

Hong Kong's Commerce, Industry and Technology Secretary John Tsang, who chaired the conference, outlined the achievements in the declaration:

- "We have secured an end date for all export subsidies in agriculture, even if it is not in a form to everybody's liking.
- o "We have an agreement on cotton.
- "We have a very solid duty-free, quota-free access for the 32 leastdeveloped country members.
- "In agriculture and NAMA (non-agricultural market access), we have fleshed out a significant framework for full modalities.
- "And in services, we now have an agreed text that points positively to the way forward."

The declaration was agreed after several days of meetings late into the night, the last two continuing to the morning. "It's been a hard day's night. And I've been working like a dog," Secretary Tsang said, quoting John Lennon and Paul McCartney.

With the 44-page document now agreed, members face intense pressure in

the new year to complete "full modalities" in agriculture and non-agricultural market access by the new deadline they have set themselves, 30 April 2006.

Compared to the draft forwarded to Hong Kong from Geneva, a number of issues have been settled or partly settled. The most straightforward is the agreement to end export subsidies in agriculture by 2013, but this was only agreed at the last minute, and members paid tribute to the European Union which had the greatest difficulty on this issue.

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Hong Kong, China's Chief Executive Donald Tsang formally opened the Sixth WTO Ministerial Conference on 13 December. In his address (WT/MIN (05)/11) he emphasized that "this Conference is a golden opportunity for us to demonstrate our collective resolve to improve the lives of peoples throughout the world through progressive trade liberalization". Director-General Pascal Lamy, in his address said trade negotiators must be prepared to take some risks "for improved rules, for a level playing field, for free and fair trade — in short, the best chance for development, the backbone of the Doha Round.

The Ministerial Conference was preceded by <u>a meeting of the General Council</u> in Geneva on 1-2 December. The Chair of the Sixth Ministerial Conference, Sec. John Tsang, on 2 December urged members to be "fully engaged in serious negotiations" in Hong Kong, and "set the platform" for the conclusion of the Round in 2006. In his <u>statement</u>, he promised "an open, transparent and inclusive process", and announced the names of Ministers who will be assisting him as facilitators.

Director-General Pascal Lamy, in his <u>report</u> to the General Council as chair of the Trade Negotiations Committee, said that an intensive consultative process in the past few days has produced a second Draft Ministerial Text in response to a clear message from ministers that they expect to receive a "workable basis" for the deliberations in Hong Kong. After statements from some 35 delegations on the draft Ministerial text the Chairman said she sensed from the discussion that delegations generally felt this text had been taken as far as it could in Geneva, and that it would not make Ministers' task any easier if Members sought to reopen it. She assured Members that she and the Director-General would faithfully convey the substance of the present cover note to the draft text to the Chairman of the Conference along with the text. The Council took note of the statements and agreed to transmit the Draft Ministerial Texts document with the amendment in paragraph 21 for consideration by the Sixth Session of the Ministerial Conference.

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#### **ACCESSIONS** back to top

## WTO Ministers successfully approve Tonga's membership at Hong Kong Conference



The WTO Sixth Ministerial Conference in Hong Kong, on 15 December, approved Tonga's terms of accession. This decision paves the way for the South Pacific Island nation to become the 150th member of the Organization. "The Kingdom of Tonga is pleased that its sustained efforts and commitment to a transparent and predictable trading environment have led to its successful membership of the WTO and, through it, to a fuller integration with the world economy," said Minister for Labour, Commerce and Industries, Dr. Feleti Sevele.

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### Saudi Arabia raises WTO membership to 149

Saudi Arabia, on 11 December, became the 149th Member of the WTO. It is the world's 13th largest merchandise exporter and the 23rd largest importer. Director-General Pascal Lamy, at the conclusion of Saudi Arabia's negotiations last month, said its membership "paves the way for a stronger multilateral trading system".

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#### **DEVELOPMENT**

Members OK amendment to make health flexibility permanent back to top

WTO members on 6 December approved changes to the intellectual property agreement making permanent a decision on patents and public health originally adopted in 2003. The decision directly transforms the 30 August 2003 "waiver" into a permanent amendment of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). That waiver made it easier for poorer countries to obtain cheaper generic versions of patented medicines by setting aside a provision of the TRIPS Agreement that could hinder exports of pharmaceuticals manufactured under compulsory licences to countries that are unable to produce them.

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## Aid planned as a complement to a market access package

An ambitious market access package, as a result of the negotiations of the Doha Development Agenda, will need to be accompanied by Aid for Trade to help developing countries and Least Developed Countries take advantage of new export opportunities and build up their capacity to trade, according to Valentine Rugwabiza, Deputy Director-General of the WTO.

### Aid for trade capacity in poorer countries up by 50 per cent since Doha

The amount of trade-related technical assistance and capacity building—to help developing and least-developed countries to participate more efficiently in international trade—has increased by 50% since the Doha Ministerial Declaration in November 2001, according to a joint report by the WTO and the OECD.

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### Recipients and donors review cooperation programme

Partner countries of JITAP, the Joint Integrated Technical Assistance Programme, implemented jointly by the International Trade Centre, the UNCTAD and the W TO, met on 14 December on the fringes of the 6th WTO Ministerial Conference to review the programme, its impact and future needs, and share experiences.

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## The Secretariats of the WTO and UNIDO hold side-event at Hong Kong Ministerial

On the occasion of the WTO 6th Ministerial Meeting in Hong Kong, WTO and UNIDO held a side-event on 15 December on the implementation of the Joint Cooperation Agreement between WTO and UNIDO and on the UNIDO Cotton Initiative for Africa.

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## Conclusion of the 34th Trade Policy Course

On 9 December, officials from 27 countries attended the closing ceremony during which diplomas were awarded marking the end of the 34th WTO Trade Policy Course, which was held in English at WTO Headquarters from 19 September to 9 December 2005.

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## Sweden gives CHF 1.96m for assistance on SPS standards

Sweden agreed on 14 December to donate 12 million kronor (approximately 1.96 million Swiss francs) to help developing countries analyse and implement international standards on food safety and animal and plant health — so-called sanitary and phytosanitary (SPS) standards.

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#### Denmark donates DKK 8.72 million to WTO technical assistance

The government of Denmark has pledged five contributions for a total of DKK 8,720,000 for which DKK 7,720,000 goes to the WTO technical assistance programmes and DKK 1,000,000 to the financing of WTO LDC members' participation in the Sixth Ministerial Conference from 13 to 18 December 2005.

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#### **DISPUTE SETTLEMENT** back to top

DSB agrees to extend time-period for adoption of "zeroing" panel report



The Dispute Settlement Body, on 6 December, agreed to the a request by the EC and the US for an extension, until 31 January 2006, of the time-period for adoption of the panel report on "United States — Laws, regulations and methodology for calculating dumping margins ("zeroing")" (DS162).

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### Arbitrator appointed in chicken cuts dispute

On 14 December, Mr. James Bacchus, former Member of the Appellate Body, accepted the appointment as arbitrator by Brazil, the European Communities, and Thailand to determine the reasonable period of time for implementation of the DSB's recommendations and rulings in "European Communities — Customs Classification of Frozen Boneless Chicken Cuts" (WT/DS269/12, WT/DS286/14).

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# Appellate Body issues Report on softwood lumber dispute

The Appellate Body, on 5 December, issued its Report regarding the compliance panel's rulings in the case "United States — Final countervailing duty determination with respect to certain softwood lumber from Canada" (DS257)

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# Chairman of the Appellate Body elected

The Members of the Appellate Body elected Mr. A.V. Ganesan to serve as Chairman of the Appellate Body from 17 December 2005 to 16 December 2006, following the expiry of Mr. Yasuhei Taniguchi's term as Chairman.

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