

**The Fifth China Round Table
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Statement by H.E. Mr. PAN Sorasak

Minister of Commerce

Session 1

The Role of LDCs in Multilateral Trading System

20 March 2017

- *H.E. Wang Shouwen, Vice Minister of Commerce, the People's Republic of China,*
- *Madam Li Yihong, Moderator and DDG of the Department of WTO Affairs, Ministry of Commerce, the People's Republic of China,*
- *Your Excellency Ministers and Heads of Delegation,*
- *Excellency Mr. David Shark, Deputy Director General of the WTO,*
- *Excellencies, Ladies and Gentlemen!*

It is my great pleasure to speak at the First Session and to discuss the Role of LDCs in Multilateral Trading System.

*At the outset, I would like to express my warmly welcome **Excellencies, Ladies and Gentlemen** to Siem Reap City of the Kingdom of Cambodia and the home of the World Heritage "Angkor Wat".*

I would like to take this opportunity to express my profound gratitude to the Government of the People's Republic of China for funding and the WTO Secretariat for jointly organizing the 5th China Round Table with the Royal Government of Cambodia.

Excellencies, Ladies and Gentlemen,

Firstly, I would like to echo a message of WTO DG, H.E Mr. ROBERTO Azevedo who stated at 20th year anniversary of the WTO in supporting the integration of LDCs into the Multilateral Trading System, as I quote "LDC integration into the Multilateral Trading System is a priority for the WTO" — and I would like to add that "it is a priority for all of us, including development partners and donors".

There are 48 LDCs, which comprises 12% of the world population but the total GDP only accounted for less than 2 per cent of the world's GDP in recent years. The world export of commercial services of LDCs is only 0.7% and 1.2 % of world trade in goods. LDCs also face other major challenges such

as inadequate infrastructure, supply side constraints and weak productive capacities, which continue to be the common characteristics of LDC economies.

Since the establishment of the WTO, LDCs have been actively participating in integrating themselves into the multilateral trading system as well as contributing to further strengthening the system. Out of 48 LDCs, 36 have become WTO Members: 9 successfully acceded to the WTO in accordance with Article XII while other LDCs are the founding Members. To date, 8 LDCs are in the acceding process.

Some LDCs such as Bangladesh, Lesotho, Nepal, Uganda, Zambia and Benin have been fulfilled their roles and well-coordinated negotiations under the WTO development agendas. Cambodia was accepted as the LDC Group Coordinator on 20 February 2017 (which is exactly one month up to this date), working closely with WTO Members as well as the relevant stakeholders to prepare the priority package for the LDCs and to assist the acceding LDCs, especially for the 11th Ministerial Conference in Buenos Aires, Argentina. The LDC Group Coordinator-ship has been serving as the main mechanism to integrate the LDCs' policies into the decision making process of the WTO. The LDC Group is also an important constituency in WTO and it is a recognized category of WTO Membership with specific rules and flexibilities designed to them. It is, therefore, the first role of the LDCs is to ensure that adequate flexibility is provided to the LDCs to pursue their development goals i.e. the LDCs should continue to preserve and seek additional flexibility whenever required.

At Doha Ministerial Conference in 2001, LDCs initiated along with the instruction of the ministers to the Sub-committee on LDCs to formulate a clear guideline for the LDC accession, which was adopted by the General Council in 2002. The Members decided that negotiations for the accession of LDCs to the WTO should be facilitated and accelerated through simplified and streamlined accession procedures, with a view to concluding these negotiations as quickly as possible. In this regard, I wish to see more than one LDC acceding country accepted as the WTO Members by the MC11 in Argentina.

In strengthening the roles of the LDCs to effectively negotiate the priority sectors, various focal points have been established. Considerable progresses have been made by LDC group such as the submission on Post-Nairobi LDC Priorities in the WTO negotiations for the MC11 in December 2017 in Buenos Aires, Argentina. Session of the General Council, the Trade Negotiation Committee and during the meetings of all other WTO Bodies and Negotiating Bodies, where the interests of the LDC Group were defended and promoted.

We should congratulate ourselves on the adoption of the template of the Rules of Origins and others such as DFQF that have been progressing. However, the remaining work which has not been completed should be jointly pursued further by all LDCs as follows:

- *Ongoing consultations on LDC submission for Special and Differential Treatment (S&D) with Members of other G90 Groups and other developed and developing Members;*
- *Work on Public Stockholding for Food Security Purposes in which the preliminary discussions has been taken place at the Experts level;*
- *Electronic Commerce regular work program in which the draft Communication is under consideration within the Group;*
- *Aid for Trade; Sixth Global Review of Aid for Trade, to be held in Geneva from 11 to 13 July 2017;*
- *Follow up on the continuation of the review of the future TPRs of other Members and responses must be provided by the LDCs to protect their interests;*

On EIF, we should continue to mobilize the Partners' financial contribution to the EIF Phase II Budget and contribute to the preparations for the Pledging Conference scheduled for 2018, which would bring much needed institutional as well as productive capacity development of LDCs.

Excellencies, Ladies and Gentlemen,

Since one individual country cannot advance its trade issues alone, LDCs need to have one voice among the group and form the good coalitions to securing a meaningful outcome for LDCs in the Multilateral Trading System as well as in the forthcoming MC11. For the MC11, the role of the group needs to focus on the priorities as described above.

I would suggest the WTO Developed Members together with other development partners and donors to establish a special program to support LDCs in enhancing LDCs participation in the Multilateral Trading System. Moreover, the WTO should also continue its role to speed-up and facilitate the accession of LDCs in WTO as set out in guideline 2002. I wish to welcome Comoros and Sudan as the new WTO Members by MC11 and encourage other acceding countries to conclude their negotiations and become the WTO members as quickly.

Excellencies, Ladies and Gentlemen, the LDCs need to have a well-functioning and strengthened Multilateral Trading System. If the system falters, other forums of negotiations such as Mega Regional FTAs may not be advantageous for the LDCs. The System can facilitate better market access for the LDCs if the trade preferences are provided more to LDCs than to other members including the developing countries.

Finally, I wish to take this opportunity to express my sincere thanks to WTO, international agencies and all development partners, especially the Government of the People's Republic of China for their contribution and support LDCs both in General Term and the Accession.

Thank you!