AFRICAN UNION الاتحاد الأفريقي



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CONFERENCE OF THE AFRICAN UNION MINISTERS OF TRADE 24th - 25th October 2013 ADDIS-ABABA (ETHIOPIA)

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ADDIS ABABA DECLARATION ON WTO ISSUES

We, the Ministers of Trade of the Member States of the African Union meeting in Addis Ababa on the 24thand 25thOctober 2013 in the Eighth Ordinary Session of the AU Conference of the Ministers of Trade in order to review the progress made so far in the WTO negotiations in the lead up to the 9th Ministerial Conference of the WTO (MC9) from 3 to 6 December 2013, in Bali, Indonesia;

Taking note of the recent developments in the Multilateral Trading System and the changes which occurred at the leadership of the World Trade Organization(WTO), we pay tribute to the outgoing Director General of the WTO, Mr. Pascal Lamy, for his personal commitment and the sterling achievements during his tenure, and congratulate Ambassador Roberto Carvalho de Azevêdo for his appointment as the 6th Director General of the WTO and commend his efforts in intensifying negotiations on the Bali package in pursuit of the mandate from the 8th WTO Ministerial Conference held in 2011. In this connection, we pledge our full support to the efforts of the Director General and further pledge our constructive role in ensuring that the negotiations leading to MC9 and beyond are successful;

Recalling the Doha Ministerial Declaration adopted by the 4th WTO Ministerial Conference in 2001 and the succeeding Ministerial Declarations and the July package which engendered the development agenda at the heart of the WTO's work program;

Underscoring that the inception of the DDA negotiations and their focus on the development imperative was, amongst others, premised on the need to redress the imbalances inherent in the Uruguay Round Agreements;

Taking note of the ongoing consultations on Trade Facilitation, Agriculture and Development issues including LDCs issues which have been prioritized for delivery by the MC9;

Convinced that development should be the primary feature of the outcome of the MC9 on all the deliverables;

Aware that the MC9 is not an end in itself, but rather a crucial step in the process of defining a post Bali work program, particularly in areas of interest to African countries;

Cautious that the MC9 is key to preserving the credibility of the multilateral trading system in particular the rule making part of the WTO's work;

Concerned by a growing trend by some key WTO Members to devolve concentration of their negotiating efforts away from Doha Development Agenda to the ever proliferating plurilateral agreements;

Further concerned that the devolution of concentration away from the DDA will erode modest progress made in integrating African countries into the multilateral trading system through trade related interventions particularly in pursuit of developmental objectives of Africa;

Aware of the positive contribution that the multilateral trading system could have on the African Union's agenda on boosting Intra-Africa Trade and the realisation of the Continental Free Trade Area (CFTA);

Determined to work towards a balanced multilateral trading system in order to secure a meaningful share of growth of international trade;

Hereby,

1. **Reaffirm** the positions adopted in the Addis Ababa Declaration on WTO Issues of 2012;

A. WTO DECISIONS

- 2. Welcome the adoption of the General Council's Decision of 25th July 2012 on Accession aimed at strengthening, streamlining and operationalising the 2002 LDCs Accession Guidelines, pursuant to the MC8 Decision, with principles and benchmarks in goods and services, and transparency in accession negotiations, Special & Differential Treatment (S&D) and transitional period and the need for enhanced technical assistance and capacity building to help acceding LDCs to complete their accession process, implement their commitments and to integrate them into the Multilateral Trading System. In this regard, we urge the full implementation of all aspects of the Decision by all WTO Members with due consideration to the specific circumstances and development objectives of acceding LDCs.
- 3. **Further welcome** a Decision on the extension of the transition period under article 66.1 of the TRIPS Agreement for least developed country members as adopted by the TRIPS Council on 11 June 2013;

B. GENERAL PRINCIPLES

- 4. **Stress** the importance of the DDA negotiations and re-commit to conclude them in accordance with the existing mandates and on the basis of progress achieved so far, according to the principles of Single Undertaking and Special and Differential Treatment;
- Restate our continued call for a fair and balanced outcome of the DDA including in the context the Bali package, which must prioritize development as its main deliverable, preserve negotiated flexibilities beneficial to developing countries all anchored on the principles of inclusiveness, transparency and bottom-up approach;
- 6. **Strongly caution** against attempts to undermine the spirit of cooperation inherent in the multilateral approach to negotiating the DDA and call on Members of the WTO to exercise due restraint in engaging in plurilateral arrangements with the potential effect of undermining the DDA;

- 7. **Strongly object** to any attempt to link non-trade issues or add new issues to the DDA, before development issues such as agriculture (including cotton), LDC issues, S&D and implementation related concerns are satisfactorily addressed and the DDA is fully exhausted and successfully concluded;
- 8. **Stress** the importance of ensuring that the outstanding agenda items of the DDA particularly in the areas of agriculture, LDCs related flexibilities and S&D and Implementation issues are prioritized for the post Bali work program;
- Reiterate that the DDA negotiations must be premised on development including incorporating adequate and targeted demand-driven financial and technical assistance and sustainable capacity building commitments as an integral part of S&D treatment under all areas of negotiations;
- 10. Underscore that agriculture remains central to Africa's trade objectives at the WTO. We therefore emphasize the urgency and the need for addressing tariff peaks and tariff escalation in Agriculture, which inhibit amongst others, value addition and job creation and overall development in Africa. We reiterate our concerns regarding food security in the continent, and support efforts by Net-Food Importing Developing Countries (NFIDCs) in respect of Agriculture related rule-making at the WTO;
- 11. **Reaffirm** the integrality and importance of Special and Differential Treatment provisions in the WTO agreements and agree that in line with para 44 of the Doha Ministerial Declaration, all S&D provisions have to be reviewed with a view to strengthening them and making them more precise, effective and operational. We also attach equal and utmost importance to the expeditious completion of the S&D work programme set out in para 12.1 of the Decision on Implementation-Related Issues and Concerns endorsed in para 44 of the Ministerial Declaration;
- 12. **Urge** WTO Members to focus their attention on finding appropriate solutions in following up the commitment contained in para 12 of the Doha Declaration setting out Members' resolve to negotiate all outstanding implementation issues as part of the Single Undertaking;

C. <u>DEVELOPMENT AND LDCs ISSUES</u>

- 13. **Strongly object** to current attempts to reduce the scope of the Monitoring Mechanism by limiting it to the review of implementation of S&D provisions including the erosion of the original intention of the Monitoring Mechanism.
- 14. **Underscore** that the Monitoring Mechanism shall propose appropriate actions, including to the General Council with a view to strengthening S&D provisions and have the mandate to regularly review the operation, utilization and effectiveness of S&D provisions,
- 15. **We recall** para 44 of the Doha Ministerial Declaration and express our concern on the lack of progress. We request the MC9 to provide further guidance on Development issues.

- 16. **Call upon** all the WTO members to fully commit themselves to the successful conclusion of the DDA as the only agenda for the WTO's post Bali work program;
- 17. **Recognise** the proposals put forward by the LDC Group for the decision at the MC9 to advance a consolidated LDC package covering duty-free quota-free market access for LDC's, simplified and flexible rules of origin for exports that qualify for duty-free, quota-free treatment, the operationalization of the LDC Services Waiver, and outstanding proposals on Cotton. In this regard, we urge the MC9 to reiterate its commitment toward the greater integration of the LDCs into the multilateral trading system and to take all possible steps towards realising this commitment in line with the respective mandates on LDCs issues.
- 18. Reaffirm the importance of cotton in the economy of the African Continent and call for a final solution of this matter on the basis of the achievements of the draft modalities on Agriculture of 6 December 2008 and call on all the WTO members for the timely resolution of this matter, pursuant to the Hong Kong mandate of December 2005.
- 19. **We call for**, on an interim basis, the adoption of a decision in Bali on the cotton issue, on the basis of proposals made by the C-4 on behalf African producers and exporters of cotton, without prejudice to the interests of African cotton producing countries.

D. TRADE FACILITATION

- **20.Reaffirm** the importance of Trade Facilitation where our priorities include enhancing infrastructure and boosting productive and trade capacities, in addition to reducing transaction costs, barriers, incentivizing the undertaking of reforms and improvements to the customs regulatory systems as well as boosting intra-African trade;
- 21. Re-emphasize the positions held by the WTO African Group on Trade Facilitation specifically that it is not a self-balancing, win-win and a monolithic pillar in the DDA negotiations. We call for an internally balanced agreement, providing developing countries and LDCs with policy space and flexibility to adopt and implement commitments commensurate with their capacity to do so. We stress the need for achieving balance with other issues on the agenda of MC9, with a view towards fulfilling the development dimension of the Doha mandate. In this regard, the Bali outcome should result in substantive outcomes in the area of Agriculture and Development issues. Where a balance is not attained, negotiations on Trade Facilitation shall continue post-Bali, with a view to attaining a balanced agreement that fully and effectively reflects the principles of special and differential treatment under Annex D of the 2004 July Package;
- 22. Further re-emphasize that obligations and measures being negotiated under the Trade Facilitation consolidated text must include binding, effective and operational rules on Special and Differential Treatment. The obligation on developing countries and LDCs to implement the Trade Facilitation Agreement should be based upon their acquisition of capacity to implement, including

through fulfilling, by developed countries, the obligation of delivering binding, new and long-term technical and financial assistance and capacity building necessary for African countries to achieve full implementation capacity. We underline the importance of the principles of self-designation and self-assessment under Section II of the Draft Trade Facilitation Agreement by developing countries and LDCs in determining the acquisition of capacity to implement;

E. ACCESSION

- 23. Reaffirm our full solidarity with all African countries in the process of accession into the WTO and urge all WTO members to facilitate and accelerate their accession in line with their level of development and the contours of the current WTO rules. In this regard, acceding African countries should not be required to give concessions beyond their level of development.
- **24.Invite WTO** members to adopt measures and decisions aimed at simplifying accession procedures and enhancing the existing institutional mechanisms including the definition of transparent rules for the implementation of the provisions of Article XII of the Agreement establishing the WTO, with the objective of providing the opportunity to acceding African countries to express their views on the conduct of their accession
- 25. **Urge** WTO members, WTO Secretariat and relevant international organizations to provide technical assistance and capacity-building prior to and during and in the follow-up to the accession process in line with their needs and development priorities.

F. OTHER ISSUES

- 26. **Take note** of the holding of 8 to 10 July 2013 in Geneva of the Fourth Global Review of Aid for Trade and emphatically reiterate our desire to see this initiative usefully support the efforts of the African Union, namely the implementation of its action plan to enhance intra-African trade and the creation of CFTA;
- 27. Express our deep concern over declining trends in Aid for Trade flows in particular financial resource allocations and disbursement. In this regard, call upon development partners to fulfill their commitments by providing predictable, additional financial resources with the effect of integrating the developing African countries into the multilateral trading system, in particular LDCs, Land-Locked Developing countries (LLDCs) and small and vulnerable economies (SVEs) in Africa by aligning their assistance to the regional and national priorities outlined by the Members;
- 28. **Recall** the decisions of the 8th WTO Ministerial Conference (MC8),particularly on TRIPS Non-Violation Situation complaints, the Work Program on Electronic Commerce, Work Program on Small Economies, Preferential Treatment to Services and Services Suppliers of LDCs and Trade Policy Review Mechanism

- and urge Members to ensure that requisite and decisive follow up actions are taken during the MC9 with a view to achieving their legitimate aims and objectives as stated therein;
- 29. **Urge** Members to refrain from making increasingly frequent recourse to the use of Non-Tariff Measures which are in ascendency, predominantly in markets of key export interest to Africa, at high costs and with a technical complexity in compliance with these meeting international standards;
- 30. **Strongly Call on** Members to design and strengthen existing tailor-made programs of assistance aimed at improving the capacity of developing countries, in particular, the African countries which face huge challenges in areas such as standards infrastructure including testing in general, the areas of conformity assessment, mutual recognition of standards and meeting technical regulations and international standards in key markets

G. CONCLUSION

31. **Commit** ourselves to speak with one voice on all the above issues.

Done in Addis Ababa, 25th October 2013