

**Statement by the NAMA group of developing countries to the NAMA Session  
2<sup>nd</sup> February 2006**

Mr. Chairman,

It is with pleasure that we introduce to you and to WTO members the NAMA group of developing countries. This group includes **Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela**. This is a group of developing countries, who share common concerns and interests. The main objective of the group is to reclaim and emphasise the developmental content of the Round.

Mr. Chairman, we wish to bring to the attention of members that this group of developing countries has been working in concert for sometime and has already made a significant contribution to the debate on NAMA with submissions contained in the following documents: TN/MA/W/65 – submitted to the Negotiating Group on Market Access; WT/COMTD/W/145 – submitted to the Committee on Trade and Development. These documents enunciate the following *principles* which are the *raison d’etre* of this group.

- a. Developing countries need flexibility to ensure sufficient space for industrial development policy imperatives;
- b. The outcome must be fair and balanced, within NAMA, between NAMA and agriculture; and the overall outcome in areas of the negotiations; and
- c. Recognition that there are specific development concerns of developing countries which will need to be addressed in the modalities.

We firmly believe that an early conclusion of the current round of negotiations, consistent with the mandate agreed in Doha in 2001 would deliver the best overall context for such an outcome and we therefore fully support the decision by Ministers in Hong Kong to complete the Round in 2006. It is the view of the group that more open and undistorted trade would create an environment in which developing economies could diversify their exports, and deepen their integration into the global trading system. Therefore the group fully supports the commitment of Ministers, reflected in Para 24 of the Hong Kong Declaration to “advance the development objectives of this round through enhanced market access for developing countries in both Agriculture and NAMA”. We note also that the paragraph contains an instruction to negotiators to ensure that there is a comparably high level of ambition in market access for Agriculture and NAMA. Paragraph 24 goes on to state that “this ambition is to be achieved in a balanced and proportionate manner consistent with the principle of special and differential treatment”.

This injunction of Ministers is useful as it seeks to strike a balance in the commitment levels of members in Agriculture and NAMA. Ambition in NAMA cannot be viewed in isolation; it has to be proportionate and commensurate with the contributions of Members in other areas of Market Access negotiations, notably in agriculture. Developing countries cannot be expected to pay for the much needed reforms in the Agriculture sectors of developed countries. The enormous burdens of adjustment that developing countries would have to bear in their industrial sectors bear

no resemblance to the relatively insignificant adjustments that developed countries will need to make in this sector. Developing countries cannot be called upon to bear the entire onus of any new market opening in this round. Such disproportionate demands made of developing countries can only lead to an imbalanced outcome, which would strike at the very roots of the development dimension of this Round.

Developing countries such as ours are willing to reduce their tariffs proportionately on the basis of less than full reciprocity so that their concessions are commensurate with their level of industrial development. Whilst many developing countries have continued to undertake unilateral liberalization beyond their Uruguay Round commitments and reform their industrial sectors, a significant part of their production and employment remain in sensitive sectors, and further liberalization of these sensitive sectors would have to be preceded by carefully managed adjustment policies.

It is for these reasons that we argued that paragraph 8 is an essential element of the flexibilities required by developing countries to manage their adjustment processes. We thus welcome the decision of Ministers in paragraph 15 of the Hong Kong Declaration to “re-affirm the importance of special and differential treatment and less than full reciprocity in reduction commitments, including paragraph 8 of the NAMA Framework, as integral parts of the modalities”.

Not all developing countries stand to gain from the DDA in the short term. Least developed countries (LDCs), and other small, weak and vulnerable economies often do not have the supply capacity to compete for the new export opportunities that will arise. Others will face significant adjustment costs including from the erosion of preferences. To address these particular concerns of developing countries we pledge to work with these countries in the weeks and months ahead to seek solutions to the following challenges:

- We fully identify with the concerns of “small, weak and vulnerable economies” and pledge to work with these countries “to establish ways to provide flexibilities for these members without creating a sub-category of WTO members” as provided for in paragraph 21 of the Hong Kong Ministerial Declaration.
- The NAMA group is fully committed to working with the LDC group to operationalize the commitments made in Hong Kong by Ministers, to provide duty free quota free treatment to all LDCs for all products. Those developing countries amongst us who are in a position to do so will strive to contribute to this objective as soon as possible.

Mr. Chairman, the NAMA group of developing countries is working to achieve a genuine development outcome of the Round that is fair and balanced and that will create new opportunities for all members, developed and developing. We shall work with you and the incoming chair of the NAMA Negotiating group to achieve full modalities by the 30<sup>th</sup> of April this year as Ministers agreed in Hong Kong. We thank you for your dedicated steering of the work of this group and wish you well in your new endeavours.