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# HONG KONG SESSION OF THE PARLIAMETARY CONFERENCE ON THE WTO

Hong Kong, China, 12 and 15 December 2005

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*Organized jointly by the Inter-Parliamentary Union and the European Parliament*

## DECLARATION

*Adopted on 15 December 2005 by consensus\**

1. We, parliamentarians assembled in Hong Kong for the session of the Parliamentary Conference on the WTO held in conjunction with the sixth WTO Ministerial Conference, take note with apprehension of the slow progress of the intergovernmental negotiations and urge ministers strongly to confirm their commitment to the conclusion of the Doha Development Round by the end of 2006.
2. The Doha Development Agenda is of concern to us all. Open, free, fair and growing trade reduces poverty and brings benefits to developing and developed countries alike. We therefore reiterate our call on heads of State and government, ministers and trade negotiators to show vision and leadership and pledge our full support for the multilateral trading system.
3. We welcome the growing involvement and effective participation of developing countries, through their respective groupings, including the G-4 of cotton-exporting developing countries, as well as the G-10, G-20, G-33 and G-90.
4. We are concerned not least by the insufficient progress made in dealing with all key sectors, especially the major development issues of utmost interest to developing countries and especially the least developed countries, and urge ministers to make substantial progress in Hong Kong in this regard. We urge WTO members to bear in mind that the very lives and livelihoods of literally hundreds of millions of persons depend on the achievement of balanced, fair and equitable results in multilateral negotiations. The attainment of the Millennium Development Goals, whose implementation is already at risk, would be further jeopardized by protracted blockage.
5. We are encouraged that there is still the commitment to complete the negotiations by the end of 2006, and support the calls for subsequent speedy implementation of their results in areas of priority interest to developing countries, as envisaged in the Doha Ministerial Declaration. Development issues are at the heart of the Doha Round. We welcome the agreement reached last week on the right to import drugs for national emergencies. The creation of a "Development Box" for the least developed countries, duty-free and quota-free access for their exports, and the agreement for special and differential treatment for developing countries, including recently-acceded developing countries, should be an integral part of the results at this stage of the negotiations. Without these measures, the Development Agenda agreed to at Doha will be another missed opportunity for spreading the benefits of trade liberalization on an equitable basis.

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\* After the adoption of the Declaration, the delegation of Australia expressed reservation about certain parts of the text, in particular the issue of geographic indications.

6. With regard to agriculture, from the standpoint of the contribution to the development of the poorest countries, we must see substantial improvements in market access and the phasing out in parallel by all countries, by the dates agreed by WTO members by the end of 2006, of all forms of agricultural export subsidies. Equally important is the reduction of trade-distorting domestic support to agriculture by developed countries, as well as the opening of their markets to the world's poorest countries. Special treatment should be provided for "sensitive" and "special products" in line with criteria yet to be agreed upon, while the permanent provision of duty-free and quota-free market access for products originating from the least developed countries should be offered. We recognize the need to develop appropriate modalities to address the erosion of longstanding preferences for such products. The issue of geographical indications should be taken into account in the talks on market access for agricultural products.

7. For the Doha Development Round to be a success, we consider it essential to make progress in solving the cotton issue, which is vital for a number of developing countries.

8. We recognize that agriculture is of concern to developed, developing, least developed, exporting and importing countries alike, and is key to the successful conclusion of trade negotiations. Agriculture is not just a sector of economy, but a basis for the very existence of hundreds of millions of people. In view of the heightened sensitivity in this sector as efforts to meet the Uruguay Round "reform" commitments proceed, we draw the attention of WTO members to the fact that producers, exporters and consumers in many developing countries, and especially in Africa, have strong claims for a fair outcome, in particular as regards a variety of important commodities that are of interest to them as exports. For those countries that may face adjustment costs, assistance must be assured.

9. At each step of the ongoing negotiations, the concerns of developing countries in respect of poverty reduction, food security and sustainable livelihoods must be kept at the forefront. The coexistence of diverse agricultural systems of various countries requires the non-trade concerns of agriculture - including food security, land conservation, revitalization of rural society and rural employment, as well as the issues of sustainable forestry, illegal logging and fisheries - to be addressed also in a satisfactory manner.

10. To achieve a balanced outcome of the Doha Round, substantial progress must take place in non-agricultural market access negotiations. The commitments sought by certain competitive developing countries to reduce high tariff levels on temperate agricultural products should include the reduction of tariff peaks on processed tropical commodities. We are convinced that market access commitments for services, agriculture and non-agricultural products must be balanced and we recognize at the same time the need to develop appropriate modalities to address the erosion of long-standing preferences for such products.

11. We recognize the special situation of recently acceded WTO Members who have undertaken extensive market access commitments at the time of their accession as recognized by paragraph 9 of the Doha Declaration. This situation should therefore be effectively addressed through specific flexibility provisions in the results of the Doha Round of negotiations.

12. We commend the renewed efforts to increase trade among developing countries (South-South trade) bilaterally, regionally and inter-regionally. Such efforts widen the arc of integration and cooperation of open economies across continents, thus improving general welfare. However, as lasting progress can only be achieved through binding commitments, it is

important to ensure that such trade agreements conform to the overall framework of WTO multilateral rules.

13. In the field of trade in services, there is clearly a need for much greater effort on the part of all WTO members. We encourage as much transparency and flexibility as possible, and believe that trade in services can be an important way to transfer knowledge to developing countries. At the same time, the liberalization of public services should be approached with caution, specifically in such areas as those relating to health, education and the basic needs of the population. We note that improved and substantial offers regarding the movement of natural persons ("GATS Mode 4") would be of vital importance to developing countries in order to match the demand in improved capital- and technology-intensive sectors and also to promote their own development.

14. In the areas of trade facilitation, there is now apparently a better appreciation of the fact that both developed and developing countries stand to benefit from increased efficiency in trade. Enhanced efforts are therefore necessary to accelerate negotiations in this area, with a view to arriving at concrete and quantifiable programmes.

15. We underscore the vital need for an effective, sensible and prompt application of the commitments regarding Trade-Related Aspects of Intellectual Property Rights (TRIPS), including the protection of traditional knowledge, genetic resources and the particularity of agricultural products and call on ministers to pursue work on TRIPS issues, including the relationship between the TRIPS Agreement and the Convention on Biological Diversity.

16. Concrete results should be reached on stronger multilateral rules in the area of anti-dumping, subsidies and countervailing measures, taking into account the needs of developing and least-developed countries. There is a need to make progress in the area of TRIPs and to take action against counterfeiting and piracy. The fulfilment of these goals strengthen the multilateral trade system.

17. We emphasize the importance of environmental protection, call for WTO rule-making and goals to be coherent with the obligations undertaken under multilateral environmental agreements (MEAs), and also call for regular information exchange between WTO and MEA secretariats. We recognize the importance of the ongoing negotiations on environmental goods and services. The environmental legislation of WTO members should not be seen as a non-tariff barrier to trade. As the number of natural disasters increases on a global scale, we call for WTO negotiations on permitted subsidies to focus on those that are harmful to the environment.

18. Appropriate and effective technical assistance helps developing countries, especially the least developed countries, to meet their end of the bargain of mutual rights and obligations. Intensified and coordinated use of technologies, and know-how can do much to meet their capacity-building needs. At the same time, the commitments in the Doha Ministerial Declaration to provide technical assistance and capacity-building measures must be treated on equal footing with other commitments, and must play an important role in the negotiations.

19. We note the renewed emphasis on the need for greater coherence in institutional arrangements and policies among international economic actors, especially between the WTO, the World Bank and the International Monetary Fund. In order to avoid further exacerbating the adjustment costs faced by many developing, especially the least developed countries, due attention must be paid to systemic and institutional shortcomings. We support greater participatory involvement in the coordination of international capital flows, trade and rule-

making by a wider number of countries at varying levels of economic development, and integration into the world economy. We recognize various initiatives to provide additional financial support to developing countries, including through the establishment of a tax on airline tickets to finance a fund to combat pandemics.

20. We underscore the importance of making the WTO a truly universal organization. We therefore express support to those countries that are now in the process of accession and call for a prompt conclusion of ongoing accession negotiations.

21. We note the assessment made by certain WTO members of the impact of trade liberalization on their economies. We call upon the WTO to carry out such assessments on a regular basis as integral parts of trade policy reviews - especially with regard to the impact of differential and more favourable treatment - on the prospects for poverty eradication, employment, enjoyment of social rights and the protection of the environment in developing countries.

22. The opportunities and challenges posed by greater trade liberalization should be addressed also through the appropriate reforms of the GATT/WTO system, in parallel with the ongoing multilateral negotiations. Institutional strengthening of the WTO includes making it more open, transparent and accountable and ensuring the full involvement of all WTO members in the decision-making process. Contentious disputes about possible organizational changes must not distract attention from the underlying causes of the slow pace of multilateral negotiations and from the increased recourse to bilateral and regional trading arrangements which themselves should be consistent with the Doha Development Agenda.

23. We call for improved information to be provided to the public about global trade, trade liberalization, the working of the WTO and the contribution of the Doha Development Agenda to the realization of the Millennium Development Goals.

24. We advocate assigning trade issues to an existing committee or, when needed, establishing a special committee on the WTO in national parliaments, regional and global parliamentary organizations. These committees could monitor developments in multilateral trade, including capacity-building of parliaments and parliamentarians in multilateral trade, and offer parliamentary oversight.

25. We reiterate our view that the days when trade policy was the exclusive domain of the executive branch are over. As parliamentarians, we are resolved to play a far greater role in overseeing WTO activities and promoting the fairness of the trade liberalization process. Moreover, we are best placed to increase people's awareness of the potential of the multilateral trading system for development. With this in mind, we call on governments participating in the sixth WTO Ministerial Conference to add the following paragraph to its outcome document: "The transparency of the WTO should be enhanced by associating parliaments closely with its activities." We invite the Sixth WTO Ministerial Conference to take into consideration this declaration.