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REPORT ON
THE ISSUES RELATING TO THE ACTIVITIES
OF THE WORLD TRADE ORGANISATION

DOCUMENTS PRESENTED BY

THE ISLAMIC CENTRE FOR DEVELOPMENT OF TRADE

TO THE

28TH SESSION OF THE STANDING COMMITTEE
FOR ECONOMIC AND COMMERCIAL
CO-OPERATION OF THE OIC
(COMCEC)

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B A C K G R O U N D

The Islamic Centre for Development of Trade (I.C.D.T) is a subsidiary organ of the Organisation of Islamic Cooperation (O.I.C) in charge of Trade Promotion between Islamic Countries, was mandated by the Secretary General of the O.I.C and the Standing Committee for Economic and Commercial Cooperation for Islamic Countries (COMCEC) to follow up in collaboration with the Group of the Islamic Development Bank, the multilateral trade negotiations organised by the World Trade Organisation (W.T.O).

Within this framework, I.C.D.T submits on a regular basis, progress reports on these negotiations to the COMCEC's annual meetings, the Islamic Commission for Economic, Cultural and Social Affairs of the O.I.C and the annual Council of the Foreign Affairs Ministers (CFM).

Likewise, the Centre works out reports and studies in preparation of the WTO Ministerial Meetings in order to shed light on the positions of Islamic Countries at this meetings and identify a common platform to coordinate their stances.

Besides, the Centre organizes seminars and workshops on the Multilateral Trade Negotiations for the benefit of the representatives of the OIC Member States from both the public and private sectors and on intra-OIC trade negotiations.

SECTION I

THE OIC MEMBER STATES WHOSE ACCESSION TO THE WTO IS IN PROCESS

The total number of the WTO Member reached 157 countries with the accession of Vanatu on 24th August 2012 of which 40 are OIC Members, that is to say more than the quarter of the WTO Members.

- The OIC Member States whose accession to the WTO is underway:

The number of the OIC Member States that have applied for accession to the WTO is estimated at fourteen, these are: Afghanistan, Algeria, Azerbaijan, Comoros, Iraq, Iran, Kazakhstan, Lebanon, Libya, Sudan, Syria, Tajikistan, Uzbekistan and Yemen.

It should be noted that the access conditions of the new applicants have become excessive and inconsistent with the economic Developmental level of the applicant country. In fact, the candidates are subject to more restraining obligations than those to which the WTO Members are subject (called the WTO-plus obligations) and the special and differential treatment is not accorded to developing countries during their accession to the WTO.

The transition periods accorded to the first WTO Members were not automatically offered to acceding countries under Article XII, whatever their economic development level may be. Some transition periods were allowed in limited sectors and for short periods after the transmission of a comprehensive implementation schedule and in return of which the conformity to the WTO was guaranteed (promulgation of the required legislation, training of the staff in charge of implementation etc...) in all sectors.

It is therefore, important for the OIC countries to defend the idea of according appropriate transition periods to acceding countries. Likewise, market access should be adapted to the economic development to the candidate applying for accession. The adherence to multilateral agreements, such as the Agreement on government procurement and the Agreement on Civil aviation should not be considered as a pre-requisite for accession to the WTO. It is also important to simplify and to speed up the accession procedures applicable to the LDCs.

1. Afghanistan:

The Afghanistan made its application for access to the WTO on 21st November 2004. A working group was established at the meeting of the General Council held on 13th December 2004. Afghanistan's Memorandum on its Foreign Trade Regime was circulated in March 2009.

The Members of the Working Group held their first meeting on 31st January 2011 in order to carry out a special review of the trade regime of Afghanistan. During this meeting, the Minister of Trade and Industry of Afghanistan, Mr. Anwar-Ul-Haq Ahady, recognized the importance and the advantages of the accession of his country to the WTO in so far as it would enable the strengthening of framework of trade and investment and create an environment offering the biggest economic possibilities likely to contribute reducing poverty.

In addition, Members supported the integration of Afghanistan in the multilateral trading system., That is why they have requested additional information on issues such as investment regime, the requirements registration fees and charges at the border, import licensing, domestic taxes, traffic in transit, export subsidies, quantitative restrictions, technical barriers to trade, sanitary and phytosanitary issues and intellectual property issues to facilitate the work of the negotiations Group.

A the 2nd meeting of the Working Group on the accession of Afghanistan held on 18th June 2012, the Members were favourable to a quick accession of Afghanistan to the WTO and examined the trade regime of this country and its conformity with the rules of the WTO. Noting that Afghanistan belongs to the Least Developed Countries Group, they pointed out that this factor should be taken into account in the negotiations for its accession.

Besides, Members requested more informations on Afghanistan in the field of trade regulations especially with respect to state trading enterprises, privatisation, tariff policies, import licences, customs evaluation, export subsidies, agricultural policy, intellectual property, technical obstacles to trade and transparency.

They also urged Afghanistan to submit its first market access offer for goods in order to start negotiations on the opening of exchanges. It should be noted that Afghanistan has already submitted its offer of services in early June 2012.

2. Algeria:

With an observer status since 1987, Algeria officially submitted to the WTO a report on its foreign trade regime in June 1996. The submission of this report will represent the first step in the membership procedure in this organisation.

Since then, some WTO Member States, such as the United States, the EU, Switzerland, Japan and Australia, sent a series of questions to Algeria. The answers were sent to the WTO secretariat and a first meeting of the working group on the accession of Algeria to the WTO was held in Geneva in April 1998.

Algeria held five rounds of multilateral negotiations (April 1998, February 2002, May 2002 then November 2002 and May 2003, in 2004 and 2005) and two rounds of bilateral negotiations in the agricultural, industrial and services sectors (April 2002 and November 2002). The examined subjects are: agriculture, customs system, State trade, transparency and legal system reform and TRIPS.

Algeria submitted initial offers concerning goods and services in March 2002 and revised offers were distributed on 18th January 2005. The revised elements of a draft report of the working group and the latest new facts concerning the legislation were also examined during the meeting of the working group on February 25th 2005.

With respect to bilateral meetings, Algeria has met about ten countries; these are: the United States, Japan, Switzerland, Australia, Canada, the European Union, Cuba, Uruguay, Turkey and the Republic of Korea.

The working group on the accession of Algeria, which is chaired by M.C Perez Del Castillo (Uruguay), numbers 43 countries.

The 9th meeting of the working group in charge of the accession of Algeria to the WTO took place on October 21st 2005 at the headquarters of the WTO.

The agenda items of this meeting dealt with the progress of bilateral negotiations

relating to market access, the consideration of the draft report of the working group and the new development of the Algerian legislation.

The working group in charge of the accession of Algeria to the WTO is currently tackling a document entitled “draft report of the working group on the accession of Algeria to the WTO”. This document will comprise the main issues that will be discussed at the meeting of 21st October 2005.

Besides, on the sidelines of the 9th meeting of the working group, bilateral meetings were held during the period going from 18th to 20th October 2005 with the representatives of some WTO Members, particularly with the United States, Switzerland, New Zealand and Malaysia within the framework of the resumption of talks relating to the market access of commodities and services.

The Bilateral Negotiations in the field of market access are underway on the basis of revised offers concerning goods and services. The multilateral review on the foreign trade regime is underway and a revised draft report of the Working Party was circulated in June 2006.

On 17 January 2008, members reviewed the revised draft Working Party report:

The Working Party report describes Algeria's foreign trade regime and the reforms undertaken in recent years to bring Algeria's legal and institutional framework into compliance with WTO rules. Members also evaluated the progress made in the ongoing bilateral negotiations on market access for goods and services.

Members have acknowledged Algeria's progress in reforming its trade regime in order to be fully compatible with WTO rules. Algeria has passed new legislation on Technical barriers to trade (TBT); sanitary and phytosanitary (SPS) issues; intellectual property (TRIPS); antidumping, safeguards and countervailing measures; pricing policies; customs valuation; importation of pharmaceuticals products; exports of beef, sheep and palm trees.

The Algeria's Working Group revised an offer on specific commitments in services and was circulated in February 2012.

The long march of Algeria for its accession to the WTO is explained also by the will of the Algerian government to lead, first, internal reforms, to successfully upgrade some areas likely to be threatened by competition and to achieve a diversification of its economy. A roadmap to accelerate the negotiation process of Algeria's accession to the WTO was developed and a series of bilateral talks to resolve differences and finalize agreements is planned between March and April in addition to the holding of an informal meeting with the Working Group on the accession of Algeria to the organization, in anticipation of the formal meeting to be held in June 2012.

Bilateral negotiations on market access of goods and services:

Algeria has completed negotiations with Brazil, Uruguay, Cuba, Venezuela and Switzerland. It still needs to conclude negotiations with the EU, Canada, Malaysia, Turkey, the Republic of Korea, Ecuador, the USA, Norway, Australia, and Japan.

The tenth meeting of the working Group took place in January 2008. Additionally, five bilateral agreements were signed by Algeria within the framework of the negotiations process for its accession to the World Trade Organisation (WTO) on 28th February 2012 with Brazil, Cuba, Venezuela and Argentine. Negotiations on the conclusion of a similar

agreement with the EU, main trading partner of the United States have reached an advanced stage. Negotiations for the signature with the other WTO Member States are still undergoing and Algeria is on the verge of concluding an agreement with Switzerland, Australia and New Zealand, while talks with Japan, Canada, Malaysia, Turkey and Ukraine are progressing well.

3. Azerbaijan:

Azerbaijan's Working Party was established on 16th July 1997. Azerbaijan submitted a Memorandum on its Foreign Trade Regime in April 1999. Replies to a first set of questions concerning the aide-memoir were circulated in July 2000 then a second series in December 2001. The first meeting of the working group was held on June 7th 2002. The last meeting of the working group was held on June 30th 2005. Bilateral negotiations on market access are underway on the basis of revised offers concerning goods and services.

A Summary of Points raised – an informal document outlining the discussions in the Working Party – was prepared by the Secretariat and circulated in December 2008. This summary was revised in July 2009.

Multilateral proceedings are underway on the basis of A Factual Summary of Points Raised since December 2008. The factual summary was revised in July 2009.

The working group on the accession of Azerbaijan held its eight meeting on 18th October 2010 to carry on the review of the economic and commercial regime of this country. They favorably took note of the progress recently achieved at the legislative level and underlined that it was important to keep on intensifying negotiations on market access.

The Factual Summary was last revised in November 2011. The ninth meeting of the Working Party took place in February 2012.

Azerbaijan's Working Group revised the Factual Summary in November 2011 and its ninth meeting was held on 24th February 2012 to review Azerbaijan's trade reforms and assess their conformity with WTO rules. Members requested more information on Azerbaijan's pricing policies, state trading enterprises, investment regime, competition policy, trading rights, tariff rate quotas, export duties and restrictions, export subsidies, agricultural policy, trade remedies, free trade zones, intellectual property, sanitary and phytosanitary measures, technical barriers to trade and government procurement. Azerbaijan's Deputy-Minister of Foreign Affairs, Mahmud Mammad-Guliyev said on this occasion that his country faced the challenge of high dependence on the oil and gas sector and that the accession to WTO was central to Azerbaijan's diversification and long-term economic sustainability efforts. At the end of the meeting, the Chairperson of Azerbaijan's Working Group, Ambassador Walter Lewalter, urged Azerbaijan to continue pursuing its domestic reforms and market access negotiations in a proactive manner to move the process forward.

Negotiations on market access:

Azerbaijan signed an Agreement with Georgia in April 2010. This Agreement is being negotiated with the European Union. Negotiations are underway with the European Union and with ten WTO's members.

4. Iraq:

Iraq made its application for accession to the WTO on 30th September 2004, under Article XII. A working group chaired by Mr Guillermo Valles Galmez (Uruguay) was established at the meeting of the General Council held on 13th December 2004.

Iraq has submitted an aide-memoir on its foreign trade system but the working group has not met yet.

For the first time since Iraq's application in 2004, the Working Party met to discuss and examine Iraq's trade legislation and its conformity with the WTO principles.

Iraq met bilaterally with Brazil, Egypt, the United Arab Emirates, the United States, Jordan, Morocco, Norway Oman Taiwan, the EU and Viet Nam. Iraq was invited to submit initial offers to advance their market access negotiations on goods and services.

Iraq will prepare documents on agriculture, services, technical barriers to trade, sanitary and phytosanitary issues and intellectual property, it will also prepare a general legislative plan of action providing members with a state of play of current and future legislation.

Working Party members, on 2 April 2008, supported Iraq's rapid accession to the WTO and argued it would contribute to the country's integration into the world economy. Iraq's Trade Minister, H. E. Dr. Al-Sudani, stated that Iraq was determined to overcome the country's difficult circumstances to move forward on the accession process and added that Iraq's membership would represent a significant addition to the international community.

Review of trade legislation:

At this stage of the accession, members examine all aspects of Iraq's trade and economic policies to assess their conformity with WTO principles.

Since the 1st Working Party meeting held in May 2007, Iraq has provided members with a legislative action plan which shows the state of play of the ongoing legal reforms. Iraq also provided information on its sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT) and the trade-related aspects of intellectual property rights (TRIPS) as well as information on its domestic support and export subsidies in agriculture.

Bilateral negotiations:

Iraq has met with several members on the sidelines of the Working Party. Market access negotiations will start once Iraq tables its initial offers on goods and services.

Iraq submitted its Memorandum on the Foreign Trade Regime in September 2005. The Working Party met for a second time in April 2008 to continue the examination of Iraq's foreign trade regime.

5. Iran:

Iran submitted its application for accession to the WTO to the General Council during its session held on 8th and 9th July 2004 in Geneva (WT/ACC/IRN/1). This application was unanimously adopted by the General Council on 26th May 2005.

A working group was established at the meeting of the General Council held on 26th May 2005. Iran submitted its Memorandum on the Foreign Trade Regime in November 2009. The Working Party has not yet met.

It should be noted in this regard that the Iranian application, which dates back from September 1996, has until then been deferred 21 times by the General Council since May 2001, as a result of the veto of the United States of America.

6. Kazakhstan:

Kazakhstan's Working Party was established on 6th February 1996. Bilateral market access negotiations in goods and services commenced in October 1997, and are continuing based on a revised goods offer and the existing services offer. Topics under discussion in the Working Party include: agriculture, the customs system (and customs union arrangements), price controls, import licensing, industrial subsidies, SPS and TBT, transparency of the legal system and legislative reform, services and TRIPS.

A revised version of the factual summary of the issues raised (summing up of the discussions within the framework of the working group) was drafted by the Secretariat and considered during the seventh meeting of the working group, which took place in November 2004.

The Chairman of the working group on the accession of Kazakhstan, Mr. Ambassador Vesa Tapani Himanen (Finland), submitted on 7th June 2005 a positive report on the application of Kazakhstan, which adopted fundamental reforms.

The bilateral negotiations in the field of market access are in process on the basis of offers revised concerning goods and services provided in 2004. The last revision of the draft report of the Working Party was distributed in June 2008. The Working Party held its last session in July 2008.

7. Lebanon:

Lebanon's Working Party was established on 14th April 1999. The aide-memoire on the Foreign Trade Regime was circulated in June 2001 and the answers to issues concerning the aide-memoire were circulated in June 2002. The working group met for the first time on October 14th, 2002.

Multilateral work is proceeding on the basis of a revised draft Working Party Report that was circulated in October 2009. Bilateral market access negotiations are conducted on the basis of revised offers on goods and services. The Seventh meeting of the Working Party was held in October 2009.

8. Libya:

Libya deposited an official application for accession to the WTO on 25th November 2001 (Doc.WT/ACC/LBY/1). The WTO Members agreed on 27th July 2004 to start negotiations with Libya on its membership.

Libya has not submitted yet the aide-memoir on its foreign trade system and the working group has not met yet.

9. Sudan:

The Working Party on the accession of Sudan was established on 25th October 1994. Sudan's Memorandum on its Foreign Trade Regime was circulated in January 1999. Replies to a first set of questions concerning the Memorandum were circulated in November 2000 and a second set of questions were put in January 2003. The second meeting of the working group was held in March 2004.

The bilateral negotiations on market access for goods and services are underway, on the basis of the initial offer concerning services and a revised offer concerning goods.

10. Tajikistan:

On 29th May 2001, a formal request for accession under Article XII was sent to the Director-General by the Government of Tajikistan. A Working Party was established at the General Council meeting on 18 July 2001. Tajikistan has submitted the aide-memoir on its foreign trade system in February 2003 as well as a first series of questions and answers to the questions of Member States in September 2003. Bilateral negotiations on market access are underway on the basis of revised offers in goods and services. The working party held its second meeting in April 2005 to continue the examination of Tajikistan's foreign trade regime.

Bilateral negotiations on market access are underway on the basis of revised offers in goods and services. The working party held its second meeting in October 2006 to continue the examination of Tajikistan's foreign trade regime.

The Working Party held its fourth meeting in September 2009 to continue the examination of Tajikistan's foreign trade regime.

On 24th November 2010, the working group on the accession of Tajikistan held its fifth meeting, thus the WTO Members examined the trade reforms undertaken by Tajikistan and assessed the progress achieved in the bilateral negotiations on market access for goods and services.

During this meeting, Members raised specific issues and requested more details on several fields, notably, government ownership,, State trade and privatization, import licenses regimes, customs application of domestic taxes, trade corrective measures, export restrictions, technical obstacles to trade, sanitary and phytosanitary issues, free areas, government procurements, intellectual property and services. The next stage is scheduled in mid-2011.

The Working Group on the accession of Tajikistan revised the last version of the report on the Tajikistan foreign trade and was distributed on February 2012.

Bilateral negotiations:

Tajikistan signed a bilateral agreement on market access on goods and services with China in 2008. Negotiations have progressed with 15 members, including the European Union, Ukraine, Japan, Honduras, Canada, the United States, Chinese Taipei, Korea, El Salvador and the Dominican Republic.

The sixth meeting of the working group on accession of Tajikistan to the WTO was held on 5th July, 2011. On this occasion, the WTO members reviewed the reforms made by Tajikistan in its trade regime and also assessed the progress made in bilateral negotiations on market access for goods and services.

In this context, the group discussed the first draft of the report of the Working Group and noted that improvements could still be made in some areas: antidumping, trading rights, investment regime, import licensing, rules of origin, sanitary and phyto-sanitary measures, technical barriers to trade, intellectual property rights, and services.

The WTO Members have welcomed the commendable efforts of Tajikistan for its accession and welcomed the progress it has made in reforming its trade regime and its market access for goods and services to make it compatible with WTO rules.

Negotiations on market access for goods and services:

Talks are underway between Tajikistan and 17 other WTO members.

11. Uzbekistan:

The Working Party on the accession of Uzbekistan to the WTO was established on 21 December 1994. Uzbekistan submitted its aide-memoir on the Foreign Trade Regime in September 1998 and replies to questions on his aide-memoir were circulated in October 1999. Bilateral market access contacts have been initiated. The Working Party met for the first time on July 17th 2002.

Uzbekistan has started bilateral negotiations on market access with interested members on the basis of initial offers concerning goods and services submitted in September 2005. The third meeting of the working group took place in October 2005.

12. Syria:

Syria's request for accession was notified to the Director General of the WTO on 30th October 2001 (WT/ACC/SYR/1).

On 4th May 2010, the General Council agreed to establish a Working Party to examine the accession application to the WTO submitted by the Arab Republic of Syria.

The Arab Republic of Syria has not submitted yet its Aide-Memoire on its foreign trade regime

13. Yemen:

Yemen's request for accession was circulated on 14th April 2000. The General Council established a Working Party on 17th July 2000. The aide memoir on the Foreign Trade Regime was circulated in November 2002.

The working group on the accession of Yemen to the WTO held its second meeting on 3rd October 2005 during which it examined the factual summary, which deals with the main issues submitted for discussion, continued the general consideration of the foreign trade system and examined the evolution of legislation. Bilateral negotiations on market access have started on the basis of the initial offers concerning goods and services.

The third meeting of the Working Party was held in July 2006.

At the fourth meeting of the Working Party for Yemen's Accession held on 2 November 2007, the government highlighted its determination to address the WTO accession requirements in 2008 in order to become a member in 2009.

The chairman Hartmut Röben (Germany) welcomed the Yemeni delegation led by Dr. Yahya Al-Mutawakel, the new Minister of Trade and Industry, and the renewed commitment shown by Yemen to accelerate its membership negotiations.

Yemen is to work on the gaps identified in the country's trade regime and to bring its legislation and enforcement mechanisms in conformity with WTO requirements. Based on the inputs received, the Secretariat may prepare Elements of a Draft Working Party Report for the next meeting.

Yemen held bilateral meetings with a number of interested members and has concluded its market access negotiations with China. Bilateral negotiations are expected to intensify with the submission of improved offers in advance of the next meeting.

On 24 October 2008, WTO members reviewed Yemen's legislative reforms to bring its trade regime in line with WTO rules. Members also evaluated the progress made in the ongoing bilateral negotiations on market access for goods and services.

They also acknowledged Yemen's least-developed country (LDC) status and will take it

into account in their negotiations to determine Yemen's concessions on market access and time-frames for implementing its commitments on rules. As an LDC, Yemen can also avail itself of technical assistance for reforming its trade regime and implementing its WTO obligations. In this regard, Yemen's Trade Minister stated that "Yemen seeks this Working Party's kind consideration to avail itself of all the flexibilities and special arrangements provided to LDCs, including transitional periods and technical assistance". The Members announced that a €7 million technical assistance program will be devoted to Yemen's accession.

Review of trade legislation:

Yemen has passed new legislation on intellectual property and is currently reforming its customs law.

Members requested more information regarding the reforms undertaken on trading rights, investment regime, import restrictions, customs valuation, subsidies, technical barriers to trade, and the trade-related aspects of intellectual property rights.

Bilateral negotiations:

Yemen has concluded its bilateral negotiations with China. Negotiations are ongoing with Australia, Canada, the EC, the US, Japan and the Republic of Korea.

In this regard, the Members stated that negotiations on goods were close to completion while some questions remained pending on services.

Multilateral work is proceeding on the basis of a draft Working Party Report circulated in December 2009. Bilateral market access negotiations are underway on the basis of revised offers in goods and services. The sixth meeting of the Working Party took place in July 2009, **the seventh in January 2010 and the eighth in September 2010.**

14. Comoros:

On 9th October 2007, the General Council set up a Working Party in charge of examining the accession application of Comoros to the WTO. It allowed its Chairman to appoint the Chairman of the Working Party in consultation with Members and the representatives of Comoros (Document WT/ACC/COM/1).

Comoros has not yet submitted a Memorandum on the Foreign Trade Regime. The Working Group has not met.

Country	Date of the setting up of a working group	Chairman of the working group
Afghanistan	13 th December 2004	Netherlands
Algeria	17 th June 1987	Uruguay
Azerbaijan	16 th July 1997	Germany
Comoros	9 th October 2007	-
Kazakhstan	6 th February 1996	Finland
Iraq	13 th December 2004	Uruguay
Iran	26 th May 2005	-
Lebanon	14 th April 1999	France
Libya	27 th July 2004	-
Sudan	25 th October 1994	Morocco
Syria	4 th May 2010	-
Tajikistan	18 th July 2001	-Estonia
Uzbekistan	21 st December 1994	Mexico
Yemen	17 th July 2000	Germany

Source: WTO

Conclusion:

The Sub-Committee on Least Developed Countries agreed on 20 January 2012 to start working on developing recommendations to “further strengthen, streamline and operationalize” current guidelines on the accession process of LDCs, as called for a decision made by the Eighth WTO Ministerial Conference held in December 2011.

There are four OIC LDCs, in the process of acceding to the WTO: Afghanistan, Comoros, Sudan and Yemen.

Bangladesh, speaking on behalf of the LDC Group, said that the decision on LDC accession was a significant result of the Eighth Ministerial Conference, and urged members to adhere to the deadline of July 2012 to complete the work. Australia, China, the European Union, Hong Kong (China), Japan, Turkey and the United States committed themselves to participate constructively in the upcoming consultations to ensure a productive outcome that would further facilitate the accession of LDCs to the WTO.

On 25th July 2012, the WTO Members who met as General Council formally approved the new guidelines that will enable the Least Developed countries to negotiate more quickly and easily their accession to the WTO.

The proposed decision consisted in fixing benchmarks for the LDCs on the way of accession to the WTO for market access negotiations. It also provides concrete guidelines to make operational the conception of “reservation” when we seek to obtain the commitment of the LDCs in the process of accession to the WTO. The decision contains five essential elements, namely: benchmarks on goods and services, transparency, in the accession negotiations, special and differentiated treatment (S&D) and transition periods and technical assistance. It should be noted that out of the 48 LDCs, only 32 are WTO Members.

Summary Table of Ongoing Accessions (as of February 2012)

	Application	Working Party Established	Memorandum	First/Latest* Working Party Meeting	Number of Working Party Meetings *	Goods Offer		Services Offer		Draft Working Party Report **
						initial	latest*	initial	latest*	
Afghanistan	Nov 2004	Dec 2004	Mar 2009	31 st January 2011	1					
Algeria	Jun 1987	Jun 1987	Jul 1996	Apr 1998/Jan 2008	10	Feb 2002	Nov 2007	Mar 2002	Nov 2007	Jun 2006
Azerbaijan	Jun 1997	Jul 1997	Apr 1999	Jun 2002 Feb 2012	9	May 2005	Jan 2012	May 2005	Oct 2011	Nov 2011 (FS)
Comoros	Feb 2007	Oct 2007								
Iran	Jul 1996	May 2005	Nov 2009							
Iraq	Sep 2004	Dec 2004	Sep 2005	May 2007/April 2008	2					
Kazakhstan	Jan 1996	Feb 1996	Sep 1996	Mar 1997/Jul 2008	10	Jun 1997	Dec 2004	Sep 1997	Jun 2004	Jun 2008
Lebanon	Jan 1999	Apr 1999	Jun 2001	Oct 2002/Oct 2009	7	Nov 2003	Jun 2004	Nov 2003	Jun 2004	Oct 2009
Libya	Jun 2004	Jul 2004								
Sudan	Oct 1994	Oct 1994	Jan 1999	Jul 2003/Mar 2004	2	Jul 2004	Oct 2006	Jun 2004	Oct 2006	Sep 2004 (FS)
Syria	Oct 2001	4 th May 2010								
Tajikistan	May 2001	Jul 2001	Feb 2003	Mar 2004/ Jul 2011	6	Feb 2004	May 2011	Feb 2004	Apr 2011	Feb 2012
Uzbekistan	Dec 1994	Dec 1994	Oct 1998	Jul 2002/Oct 2005	3	Sep 2005		Sep 2005		
Yemen	Apr 2000	Jul 2000	Nov 2002	Nov 2004/Sept 2010	8	Sep 2005	Aug 2008	Aug 2005	Aug 2008	Nov 2010

Note:

* As of the date of this document.

** Most recent Factual Summary (FS), draft Working Party Report or Elements of draft Working Party Report.

**MAIN FINDINGS OF THE EIGHTH SESSION
MINISTERIAL CONFERENCE
Geneva, 15 - 17 December 2011**

A/ ELEMENTS FOR POLITICAL GUIDANCE:

❖ **Importance of the Multilateral Trading System and the WTO:**

Ministers emphasize the value of the rules-based multilateral trading system and agree to strengthen it and make it more responsive to the needs of Members, especially in the current challenging global economic environment, in order to stimulate economic growth, employment and development.

Ministers underscore that the WTO's role in keeping markets open is particularly critical in light of the challenging global economic environment. The WTO has a vital role to play in the fight against all forms of protectionism and in promoting economic growth and development. Ministers also acknowledge that experience has shown that protectionism tends to deepen global economic downturns. Ministers fully recognize WTO rights and obligations of Members and affirm their commitment to firmly resist protectionism in all its forms.

Ministers underline the importance of the work of regular WTO bodies including their role in the oversight of implementing existing Agreements; dispute avoidance; transparency through monitoring and reporting and as a forum for the consideration of trade-related issues raised by Members. Ministers call for strengthening and improving their functioning.

Ministers recognize the important asset that the WTO Dispute Settlement system represents and commit themselves to strengthen it, including through concluding the Dispute Settlement Understanding (DSU) review negotiations.

Ministers welcome the accessions of Vanuatu, Samoa, the Russian Federation and Montenegro to the WTO and recognize the contribution of accession to strengthening the multilateral trading system. Ministers remain committed to efforts to facilitate accessions, in particular of least-developed countries (LDCs).

❖ **Trade and Development:**

Ministers reaffirm that development is a core element of the WTO's work. They also reaffirm the positive link between trade and development and call for focused work in the Committee on Trade and Development (CTD) which is to conduct this work in accordance with its mandate and report the results achieved to Ministers at the Ninth Session. Ministers call on WTO Members to fully operationalize the mandate of the CTD as a focal point for development work.

Ministers reaffirm the need for the WTO to assist in further integrating developing countries, particularly LDCs and, without creating a sub-category of WTO Members, small, vulnerable economies, into the multilateral trading system.

Ministers acknowledge the needs of LDCs and commit themselves to ensure that LDCs' interests are given due priority in the future work of the WTO. In this regard, they have taken decisions concerning LDC accession in document WT/COMTD/LDC/19, extension of the LDC transition period under Article 66.1 of the TRIPS Agreement in

document IP/C/59/Add.2, and LDCs services waiver in document TN/S/37. Ministers also urge the full implementation of Decision 36 of Annex F of the Hong Kong Ministerial Declaration of 2005 on measures in favour of LDCs. Ministers also welcome the Istanbul Programme of Action for LDCs for the decade 2011-2020.

Ministers confirm their commitment to on-going dialogue and engagement to progress the mandate in paragraph 11 of the Hong Kong Ministerial Declaration to address cotton "ambitiously, expeditiously and specifically", within the agriculture negotiations. Ministers highlight the value of on-going reporting on cotton, and invite the Director-General to continue furnishing periodic reports on the development assistance aspects of cotton to each Ministerial Conference. Ministers commend the work being undertaken within the Director-General's Consultative Process to advance developmental assistance aspects of cotton.

Ministers reaffirm the integrality of special and differential treatment provisions to the WTO agreements and their determination to fulfil the Doha mandate to review them with a view to strengthening them and making them more precise, effective and operational. Ministers agree to expedite work towards finalizing the Monitoring Mechanism for special and differential treatment. They also agree to take stock of the 28 Agreement-specific proposals in Annex C of the draft Cancún text with a view to formal adoption of those agreed.

Ministers take note of the progress achieved on Aid for Trade and of the Third Global Aid for Trade Review. They agree to maintain, beyond 2011, Aid for Trade levels that at least reflect the average of the period 2006-2008 and to work with development banks to ensure the availability of trade finance to low income countries. Ministers reiterate their commitment to funding the WTO Global Trust Fund in a predictable and timely manner to enable the Secretariat to continue to provide the Technical Assistance and Capacity Building required.

Ministers acknowledge the WTO's co-operation with other development-related organizations, in particular, the International Trade Centre (ITC). Ministers reaffirm the ITC's role in improving and enhancing trade support institutions and policies for the benefit of exporting efforts; and in strengthening the export capacity of enterprises to respond to market opportunities. Ministers encourage the ITC to support and assist developing countries to address business environment and market access issues affecting the private sector.

❖ **Doha Development Agenda (DDA):**

Ministers deeply regret that, despite full engagement and intensified efforts to conclude the Doha Development Agenda single undertaking since the last Ministerial Conference, the negotiations are at an impasse.

Ministers acknowledge that there are significantly different perspectives on the possible results that Members can achieve in certain areas of the single undertaking. In this context, it is unlikely that all elements of the Doha Development Round could be concluded simultaneously in the near future.

Despite this situation, Ministers remain committed to work actively, in a transparent and inclusive manner, towards a successful multilateral conclusion of the Doha Development Agenda in accordance with its mandate.

In order to achieve this end and to facilitate swifter progress, Ministers recognize that Members need to more fully explore different negotiating approaches while respecting the principles of transparency and inclusiveness.

In this context, Ministers commit to advance negotiations, where progress can be achieved, including focusing on the elements of the Doha Declaration that allow Members to reach provisional or definitive agreements based on consensus earlier than the full conclusion of the single undertaking.

Ministers also stress that they will intensify their efforts to look into ways that may allow Members to overcome the most critical and fundamental stalemates in the areas where multilateral convergence has proven to be especially challenging.

Ministers maintain that, in their negotiations, they will continue their work based on the progress already made. Ministers affirm that any agreements reached, at any time, have to respect fully the development component of the mandate.

B/ SUMMARY OF KEY ISSUES RAISED IN THE DISCUSSIONS:

❖ Keeping markets open and resisting protectionism:

Ministers highlighted the importance of keeping markets open and the need to resist protectionism particularly in this challenging global economic environment. Many Ministers sought a stronger message against protectionism, stating that the prevailing economic climate had made it all the more essential. In this regard, they urged Members to commit to a standstill on all forms of protectionism; to roll back any protectionist measures that had been introduced during the crisis; to not introduce new protectionist measures while the Doha negotiations were on-going; and, to exercise maximum restraint in implementing measures that may be WTO-consistent but have a significant protectionist effect. The need for a regular monitoring mechanism was highlighted, including through reinforcing the Trade Policy Review Body. Many Ministers welcomed the Director-General's monitoring reports on recent trade developments.

Other Ministers said that the rules-based nature of the WTO system with its rights and obligations needed to be taken into account. Development aspects also needed to be considered. They stressed that in these challenging times, the right of Members to use existing WTO-consistent policy space to achieve economic and development objectives should not be curtailed. Some Ministers also stressed that all forms of protectionism, not only tariffs, should be considered in any commitment.

A number of Ministers expressed concern over the increase of protectionism in agricultural trade in the form of trade-restrictive measures without scientific or technical justification and not in conformity with the SPS and TBT Agreements. Some Ministers also expressed concern with increasing resort to private standards and food labelling requirements.

It was suggested that a technical workshop on protectionism be convened in 2012 to examine all aspects of the issue, with participation by all relevant stakeholders.

Ministers widely acknowledged that improving Members' compliance with notification obligations would enhance transparency across WTO bodies and help to discourage protectionism.

❖ **Current global challenges:**

A number of Ministers stressed that for the WTO to remain credible and relevant it needed to address current global challenges. Some of the issues mentioned in this discussion included climate change, energy, food security, trade and exchange rates, competition and investment. Some Ministers stated that it was time to explore these issues in WTO regular bodies to enable the membership to improve understanding of their implications for trade and development while continuing efforts to seek a conclusion of the Doha Round.

Other Ministers expressed reservations about initiating negotiations on new issues. They were concerned about the possibility of addressing issues selectively or shifting the focus away from unresolved issues in the DDA negotiations. They stressed that any new issue should only be brought to committees in accordance with their normal rules and procedures and within their respective mandates.

Some Ministers said that the WTO needed to pay more attention to global value chains. In this regard, calls were made to build on the Secretariat's recent "Made in the World" initiative.

Some Ministers welcomed the decision of the Working Group on Trade, Debt and Finance to convene a seminar on the relationship between exchange rates and trade in the first quarter of 2012. Some Ministers also highlighted the need for greater coherence between the WTO and other international institutions, including the IMF.

❖ **Dispute settlement:**

The central role of the dispute settlement system in ensuring predictability and security of the multilateral trading system was stressed by many Ministers. The need to improve Dispute Settlement Understanding (DSU) procedures and make the system more accessible to least-developed countries and small, vulnerable economies was stressed. In that regard, many Ministers urged the completion of the DSU negotiations in 2012.

❖ **Accessions:**

There was wide convergence on the importance of accessions to making the multilateral trading system truly universal. Ministers welcomed the adoption of the decision further streamlining LDCs accessions and urged its rapid operationalisation. Some Ministers drew attention to the substantive and procedural challenges in the accession process for other developing countries and urged streamlining of these processes too, including not subjecting acceding countries to commitments beyond their levels of development.

Ministers made the following decisions:

- Reaffirm the LDC accession guidelines adopted in 2002. Taking note of the accession proposal made by the LDCs, they direct the Sub-Committee on LDCs to develop recommendations to further strengthen, streamline and operationalize the 2002 guidelines by, *inter alia*, including benchmarks, in particular in the area of goods, which take into account the level of commitments undertaken by existing LDC Members. Benchmarks in the area of services should also be explored;
- Recognize that transparency in the accession negotiations should be enhanced, including by complementing bilateral market access negotiations with multilateral frameworks;
- Reiterate that S&D provisions, as stipulated in the 2002 guidelines, shall be

applicable to all acceding LDCs, and that requests for additional transition periods will be considered taking into account individual development needs of acceding LDCs;

- Underline 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. Appropriate tools should be developed to assess the needs and to ensure greater coordination in the delivery of technical assistance, making optimal use of all facilities, including the Enhanced Integrated Framework (EIF);
- Instruct the Sub-Committee on LDCs to complete this work and make recommendations to the General Council no later than July 2012.

❖ **Regional Trade Agreements (RTAs):**

A large number of Ministers pointed to the growing number of RTAs and stressed the need to ensure that they remain complementary to, not a substitute for, the multilateral trading system. In that regard, many Ministers stressed the need for the WTO to address the systemic implications of RTAs for the multilateral trading system and to study trends in RTAs and report to the Ninth Ministerial Conference.

❖ **The role of the Committee on Trade and Development (CTD):**

The importance of the development dimension of the WTO's work was highlighted by a large number of Ministers, many of whom stressed the need to strengthen the CTD as a focal point for development issues. In that context, some Ministers suggested the full operationalization of the CTD's mandate including the review and monitoring of special and differential treatment provisions in the WTO. Others expressed support for the finalization of the S&D Monitoring Mechanism and the adoption of Annex C of the draft Cancún text. Other Ministers also suggested that consideration should be given to outstanding implementation issues in line with Paragraph 12 of the Doha Ministerial Declaration.

Food security:

Many Ministers urged WTO Members to commit to remove and not to impose in the future, food export restrictions or extraordinary taxes for food purchased for non-commercial humanitarian purposes by the World Food Programme. Other Ministers stressed the importance of addressing the root causes of food insecurity and underlined the importance of allowing Members to use their rights under WTO Agreements.

Some Ministers signalled their support for a proposal to establish a work programme on trade-related responses to mitigate the impact of food market prices and volatility, especially on LDCs and Net Food Importing Developing Countries (NFIDCs), for action by the Ninth Ministerial Conference. Several Ministers noted that the issue of food security was multi-faceted and needed to be looked at in its entirety, including the impact of export restrictions on international prices.

❖ **Aid for Trade and the Enhanced Integrated Framework:**

There was broad recognition of the importance of Aid for Trade to build trade capacity and facilitate the integration of beneficiary countries into the multilateral trading system. The specific role of the Enhanced Integrated Framework for LDCs was underscored. Some Ministers called for ensuring that Aid for Trade funding addresses the need of developing countries, particularly the specific needs of small, vulnerable

economies and urged co-operation with other relevant institutions to that effect. The importance of the regional dimension of Aid for Trade and of trade finance were also highlighted.

❖ **Doha Round negotiations:**

Many Ministers expressed deep regret at the impasse currently facing the Doha Round. They nevertheless reaffirmed their commitment to delivering on the Doha mandate.

On the work ahead, while a number of Ministers emphasised their openness to different negotiating approaches, some expressed strong reservations about plurilateral approaches.

Many Ministers stressed the need for Members to start identifying areas where provisional or definitive agreements could be reached in the shorter term. Others indicated the need to move step by step, bottom-up, to avoid repeating past failed attempts.

Many Members stressed that any different approaches in the work ahead should conform to the Doha mandate, respect the single undertaking, and be truly multilateral, transparent and inclusive.

In looking at future work, a large number of Ministers stressed the centrality of development. Many underlined the need to give priority to issues of interest to LDCs, including cotton. Many mentioned the importance of all three pillars in the agriculture negotiations. Many also mentioned trade facilitation, special and differential (S&D) treatment, S&D Monitoring Mechanism and non-tariff measures.

There was a shared sense that a key question to unlock the current impasse is the balance in contributions and responsibilities between emerging and advanced economies, although there were different views as to what the appropriate shares in this balance should be.

Several Ministers emphasized the importance of a transparent, inclusive and bottom-up approach in the work ahead while others stressed the need to take account of all Members views and avoid attributing the views of a few to the whole membership.

❖ **Preferential Treatment to Services and Service Suppliers of Least-Developed Countries**

Ministers made the following decisions:

- Notwithstanding the provisions of Article II:1 of the GATS, Members may provide preferential treatment to services and service suppliers of least-developed countries with respect to the application of measures described in Article XVI and any other measures as may be annexed to this waiver, than to like services and service suppliers of other Members. Any such treatment shall be granted immediately and unconditionally to like services and service suppliers of all least-developed country Members. Preferential treatment with respect to the application of measures other than those described in Article XVI, is subject to approval by the Council for Trade in Services in accordance with its procedures and will be annexed to this waiver;
- Each Member according preferential treatment pursuant to this waiver shall submit a notification to the Council for Trade in Services. The notification shall specify the preferential treatment made available, the sectors or sub-sectors concerned and the period of time during which the Member is intending to maintain those preferences.

A supplemental notification shall be made if the preferential treatment is subsequently modified. The notifications shall be made before the preferential treatment is granted or modified;

- Each Member granting preferential treatment pursuant to this waiver shall, upon request, promptly enter into consultations with any Member with respect to any difficulty or matter that may arise as a result of such treatment. Where a Member considers that any benefit accruing to it under the GATS may be or is being impaired unduly as a result of such treatment, the consultations shall examine the possibility of action for a satisfactory adjustment of the matter;
- Any preferential treatment accorded pursuant to this Waiver shall be designed to promote the trade of least-developed countries in those sectors and modes of supply that are of particular export interest to the least-developed countries and not to raise barriers or create undue difficulties for the trade of any other Member. Such preferential treatment shall not constitute an impediment to the reduction or elimination of market access barriers on a most-favoured-nation basis.

For the purpose of preferential treatment granted pursuant to paragraph 1, a service supplier of a least-developed country is:

- a natural person of a least-developed country; or
- a juridical person which is either:
 - i) constituted or otherwise organized under the law of a least-developed country and, if it is owned or controlled by natural persons of a non-least-developed country Member or juridical persons constituted or otherwise organized under the law of a non-least-developed country Member, is engaged in substantive business operations in the territory of any least-developed country; or
 - ii) in the case of the supply of a service through commercial presence, owned or controlled by: natural persons of least-developed countries; or juridical persons of least-developed countries identified under subparagraph (i).
- In accordance with the provisions of paragraph 4 of Article IX of the WTO Agreement, the General Council shall review annually whether the exceptional circumstances justifying the Waiver still exist and whether the terms and conditions attached to the Waiver have been met;
- This Waiver shall terminate upon the expiration of a period of 15 years from the date of its adoption;
- This Waiver shall apply to preferential treatment granted to services and service suppliers of least-developed countries designated as such by the United Nations. Notwithstanding the provisions of above paragraph, this Waiver shall terminate with respect to the preferential treatment granted to services and service suppliers of any particular least-developed country when graduation of that country from the United Nations list of least-developed countries becomes effective.

❖ TRANSITION PERIOD FOR Least-developed countries under article 66.1 of the TRIPS agreement:

Ministers invite the TRIPS Council to give full consideration to a duly motivated request from Least-Developed Country Members for an extension of their transition period under Article 66.1 of the TRIPS Agreement, and report thereon to the WTO Ninth Ministerial Conference.

❖ WORK PROGRAMME ON ELECTRONIC COMMERCE:

Ministers decide:

- To continue the reinvigoration of the Work Programme on Electronic Commerce, based on its existing mandate and guidelines and on the basis of proposals submitted by Members, including the development-related issues under the Work Programme and the discussions on the trade treatment, *inter alia*, of electronically delivered software, and to adhere to the basic principles of the WTO, including non-discrimination, predictability and transparency, in order to enhance internet connectivity and access to all information and telecommunications technologies and public internet sites, for the growth of electronic commerce, with special consideration in developing countries, and particularly in least-developed country Members. The Work Programme shall also examine access to electronic commerce by micro, small and medium sized enterprises, including small producers and suppliers;
- To instruct the General Council to emphasize and reinvigorate the development dimension in the Work Programme particularly through the CTD to examine and monitor development-related issues such as technical assistance, capacity building, and the facilitation of access to electronic commerce by micro, small and medium sized enterprises, including small producers and suppliers, of developing countries and particularly of least-developed country Members. Further, any relevant body of the Work Programme may explore appropriate mechanisms to address the relationship between electronic commerce and development in a focused and comprehensive manner;
- To further instruct the General Council to hold periodic reviews in its sessions of July and December 2012 and July 2013, based on the reports submitted by the WTO bodies entrusted with the implementation of the Work Programme, to assess its progress and consider any recommendations on possible measures related to electronic commerce in the next session of the Ministerial Conference.

Ministers underscored that Members will maintain the current practice of not imposing customs duties on electronic transmissions until our next session, which we have decided to hold in 2013.

❖ TRADE POLICY REVIEW MECHANISM

Ministers made the following decisions:

- Ministers recognize the regular work undertaken by the Trade Policy Review Body (TPRB) on the monitoring exercise of trade and trade-related measures in fulfilling its mandate and take note of the work initially done in the context of the global financial and economic crisis, and direct it to be continued and strengthened;
- Ministers therefore invite the Director-General to continue presenting his trade monitoring reports on a regular basis, and ask the TPRB to consider these monitoring reports in addition to its meeting to undertake the Annual Overview of Developments in the International Trading Environment. They also take note of the WTO's reports on its specific monitoring of G-20 measures and commit to duly comply with the existing transparency obligations and reporting requirements needed for the preparation of these monitoring reports, and to continue to support and cooperate with the WTO Secretariat in a constructive fashion;
- Ministers call upon the TPRB to continue discussing the strengthening of the monitoring exercise of trade and trade-related measures on the basis of Members' inputs.

Meeting on 25th and 26th July 2012, the General Council agreed to hold the 9th WTO Ministerial Conference in Bali (Indonesia) in the first week of September 2013.

SECTION II

THE ACTIONS OF ICDT AND THE OIC

With regard to the WTO multilateral trade negotiations, ICDT will continue its coordination work between the OIC Countries during the next negotiations of the WTO.

Technical assistance will also be ensured for the benefit of Member States, particularly the Least Developed among them in order to assist them in negotiations and the implementation of their results through consultancy and expertise.

Besides, ICDT is planning to organise several seminars and meetings between the OIC countries so as to make an assessment of the negotiations stakes, and even their impact on the trade policies and economies of Member States. Popularisation actions will be carried out for new themes in negotiations such as competition policy, trade facilitation, electronic commerce etc...

These activities will involve the participation of not only the representatives of concerned administrations but also those of the private sector in the OIC countries.

It should be recalled that the meeting devoted to "the follow up of the resolutions of the OIC Extraordinary Summit" held in Jeddah on 5th March 2006, the OIC General Secretariat and the other OIC institutions, of which ICDT have drawn up a programme for the implementation of the resolutions of the 3rd Extraordinary Summit of the OIC held in Makkah Al Moukarramah in December 2005. In the field of multilateral trade negotiations, the meeting requested ICDT and IDB to ensure the follow up of multilateral trade negotiations within the WTO and to contribute to the adoption of common stances by the OIC Member states in these negotiations.

- Round Table on "the WTO Negotiations": What Stakes for the OIC Member States?

ICDT and the Moroccan Committee of the International Chamber of commerce organises in collaboration with the Moroccan Business School (ISCAE) a round table on the "WTO Trade Negotiations: What stakes for the OIC member states" on 18th September 2007 in Casablanca.

The objective of this round table is to gather the actors of the civil society and the representatives of the governmental authorities in charge of the Multilateral Trade Negotiations file in order to take stock of the WTO negotiations and evaluate the potential impact of the Doha Development Round.

- Inter-regional Workshop on "Geographical Indications": Ankara, 3-4 April 2008.

Within the framework of their programme of activity to strengthen the Institutional Capacity Building adopted by the 2nd Conference on "Technical Cooperation between the Industrial Property Offices in the OIC member States" held in Casablanca from 11th to 13th July 2007, the Turkish Patent Institute (TPI) and the Islamic Centre for Development of trade (ICDT) have jointly organised with the World Intellectual Property Organisation (WIPO) and the Islamic Development Bank, an inter-regional workshop on the Geographical Indications that was held in Ankara, Republic of Turkey from 3rd to 4th March 2008.

The main purpose of this workshop was to equip participants with the scope of the protection provided by the geographical indications, the details on the international agreements providing protection measures, examples of applications in model countries, introduction of non-governmental organizations working on geographical indications, and establish discussion platform among the national officials of the OIC Member States responsible for registering and administering geographical indications. The Workshop also allowed participants to seek answers to their questions on GIs and share their experiences with participating professionals from relevant international organisations, including WIPO and Institut National de l'Origine de la Qualité (INAO) of France.

A dozen countries took part in this workshop, these are: Bangladesh, Benin, Guinea, Morocco, Mozambique, Uzbekistan, Uganda, Sudan, Senegal, Turkey and Yemen.

- Training Seminar on the "Use of TRIPS flexibilities by DCS provided for in the TRIPS Agreement": 9-12 June 2008, Casablanca-Morocco.

Within the framework of the technical assistance of IDB extended to the Member Countries of the Organisation of Islamic Cooperation (OIC) aiming at contributing to the efforts deployed by them to further enhance the capacity building of their human resources and institutions, the Islamic Development Bank (IDB) and the Islamic Centre for Development of Trade (ICDT), jointly organized a training seminar on the "Use of TRIPS flexibilities by DCS provided for in the TRIPS Agreement". This seminar took place under the auspices of the Ministry of Commerce, Industry and the new technologies of the Kingdom of Morocco and in collaboration with the World Intellectual Property Organization from 9th to 12th June 2008 in Casablanca-Kingdom of Morocco.

The aim of this seminar is to inform participants on the flexibilities provided for in the implementation of the Agreement on the Trade Related Intellectual Property Rights and the means put at the disposal of Developing countries to enable them to benefit from it and hence achieve their developmental goals. The seminar also offered the opportunity to study the impact of the bilateral and regional Free Trade Agreements on the capacity of Developing countries to effectively profit by the indicated flexibilities in the Agreement, notably in the field of the protection of public health and traditional knowledge.

During the proceedings of this seminar, participants examined the practices, which impede competition and the relation of the Agreement with the Treaty of biodiversity, protection of the traditional knowledge, as well as the consequences of the Said Agreement on national policies in the field of Intellectual Property and the needs in the field of technical assistance of DCs and the LDCs.

Fifty officials representing 21 Member Countries of IDB, including Morocco took part in this seminar as well as experts from the different specialized world international and regional organizations (WIPO) moderated the different topics dealt with during the seminar.

- Seminar on trade in services: Casablanca, 15-18 June 2009

Upon an invitation by the Cooperation Office of IDB, ICDT participated actively in the seminar organised under the auspices of the Ministry of Foreign Trade of the Kingdom of Morocco by the Cooperation Office of IDB in Casablanca from 15th to 18th June 2009.

ICDT made a presentation on the impact of trade negotiations in the services sector on the OIC Member States.

- **Seminar on Non-tariff Barriers and their impacts on the development of the OIC Member States** (OIC): Tunis, 5-7 October 2009.

The Islamic Centre for Development of Trade actively participated in the seminar on *“Non-tariff Barriers and their Impacts on the Development of the OIC Member States”*, held in Tunis- from 5th to 7th October 2009. This seminar was organised by the Cooperation Office of IDB in collaboration with the Tunisian Technical Cooperation Agency (ATCT).

The objectives of this seminar consisted on the one hand, of the identification and classification of the NTBs and the development of a strategy aiming at reducing and even abolishing the NTBs in order to facilitate intra-OIC trade.

This seminar was attended by the representatives of thirty six OIC Member States and six regional and international organisations.

- The First day was devoted to a general brief introduction of the NTBs (Definition, typology, classification),
- The Second Day mainly focused on the regional and international experiences
- The Third Day was devoted to the experience of Organisation of the Arab League and Tunisia in the field of NTBs followed by a synthesis of the papers of the seminar.

The ICDT's Representative recommended to create a follow up committee on the NTBs and to strengthen the observatory on the NTBs set up by ICDT since 2001 following the resolutions of the 17th Ministerial Session of the COMCEC and the recommendations of the seminar organised by ICDT on the NTBs in June 2001.

- **Seminar on “the proliferation of regional and bilateral trade agreements on the Multilateral Trade System”**, Casablanca 16-19 February 2010.

ICDT and IDB's Cooperation Office organized in Casablanca, a seminar on the proliferation of regional and bilateral trade agreements on the multilateral trade system” in Casablanca from 16th to 19th February 2010.

The aim of this seminar which was to take stock of the interactions between the trends of the regionalism and multilateralism was attended by thirty countries and about a dozen international experts and regional organizations.

- **Regional Seminar on the “Competition Policy in the OIC Member States: Present Status and prospects»**, Tunis 22-24 February 2010.

The Islamic Centre for Development of Trade (ICDT), a subsidiary Organ of the Organization of the Islamic Conference (OIC) and the Ministry of Trade and Handicraft of the Tunisian Republic organised in collaboration with Islamic Research and Training Institute (IDB Group) an inter-regional seminar on “competition policy in the OIC Member States: present status and prospects” in Tunis, from 22nd to 24th February 2010.

The aim of this seminar is: to take stock of the legal situation and competition policies in the OIC Member States with a view to examining the ways and means likely to promote competition law and facilitate intra-OIC trade and investments, and explore the launching modalities of the cooperation programme among the OIC Member States in the field of competition law and policies.

The aim of this seminar was:

- ✓ Train participants in the implementation of competition Law and policy and the application of reforms that prove to be necessary in this field;
- ✓ To explain to participants the need for establishing a national legislation on competition or to adapt the existing rules;
- ✓ To introduce participants to the fundamental principles of a competition policy and the link with the other sectors of national economic policy;
- ✓ To present to participants the instruments and methods of controlling the different aspects and competition rules;
- ✓ To provide participants with the means of getting information on the evolution of their institutional and legal structures;
- ✓ To compare the existing legislation in order to obtain information on the elements and necessary stages for the implementation of the useful reforms in the field of the national competition policy.

Twenty countries participated in this seminar.

It was moderated by international experts (UNCTAD, World Bank, OECD), International Experts of the competition organizations in the OIC Member States and Experts from ICDT.

- **Seminar on “the proliferation of regional and bilateral trade agreements and their repercussions on the Multilateral Trading System”:** Abu Dhabi, UAE, 17-19 May 2010.

ICDT participated actively in the moderation of the seminar organized in Abu Dhabi from 17th to 19th May 2010, by the Ministry of Economy and Commerce of the State of the United Arab Emirates and the Cooperation Department of the IDB Group on “the proliferation of the regional and bilateral agreements and their repercussions on the Multilateral Trading System”.

This seminar whose objective was to take stock on the interactions between the regionalism and multilateralism trends was attended by about thirty countries and experts from international and regional organizations.

- **Seminar on Trade Facilitation:** Damascus, Syria 6th to 8th July 2010.

The Islamic Development Bank (IDB) Cooperation Department with the participation of the Islamic Centre for Development of Trade (ICDT), organised in Damascus a seminar on “Trade Facilitation among Arab Countries and their integration into the Multilateral Trading System” from 6th to 8th July 2010.

On this occasion, OIC Institutions (IDB, ICDT) and the United Nations Institutions (WTO, UNCTAD, ITC) as well as the League of Arab States and the Syrian Ministry of Foreign Trade presented topics related to the theme of the seminar.

It is worth underlining that ICDT’s presentation untitled “Trade Facilitation among the OIC Member Countries: Realities and Prospects” contained among others recommendations to improve the business climate and facilitate trade between OIC Member States.

During this seminar, the national experiences of Syria and other Arab Member Countries were also tackled.

- **Istanbul Conference on “Needs Assessment of the OIC Member States in the field of Competition Law and Policy”**: Istanbul, Republic of Turkey, 21st -22nd November 2011.

The Islamic Centre for Development of Trade (ICDT) and the Turkish Competition Authority (TCA) jointly organized in collaboration with the Islamic Development Group the “Istanbul Conference on needs assessment of the OIC Member States in the field of Competition Law and Policy” from 21st to 22nd November 2011 in Istanbul, Republic of Turkey.

This Conference was attended by the Representatives of the 28 following OIC Member States (Afghanistan, Albania, Algeria, Azerbaijan, Benin, Burkina Faso, Cameroon, Egypt, Gambia, Indonesia, Iran, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Malaysia, Morocco, Pakistan, Qatar, Senegal, Sierra Leone, State of Palestine, Sudan, Syria, Tunisia, Turkey, Uzbekistan and Yemen), 4 OIC Observer States (Bosnia and Herzegovina, Russian Federation, Turkish Cypriot State and Kosovo) and OIC Institutions (ICDT, COMCEC Coordination Office, IDB Group and SESRIC).

This Conference aimed to serve as a “needs assessment” platform for the realization of the project entitled “Technical assistance in the field of competition law and policy among the OIC Member States”.

▪ *Proceedings of the Conference*

The Istanbul Conference was inaugurated with the opening statements of Prof. Dr. Nurettin KALDIRIMCI the President of the Turkish Competition Authority, Dr. El Hassane HZAINI the Acting Director General of the Islamic Centre for Development of Trade, the Representative of the Islamic Development Bank Group Mr. Abdullateef AL-LAWATI and the Minister of Customs and Trade His Excellency Mr. Hayati YAZICI.

The Opening Ceremony was followed by the presentation of introductory remarks regarding Competition Law and Policy in OIC Member States and the speeches of keynote Speakers.

On this occasion, ICDT’s Acting Director General Dr. HZAINI made a presentation under the theme “Overview of Competition Law and Policy in OIC Member States”.

This was followed by the holding of the Session on “**Needs Assessment**” during which OIC Member States seized the opportunity to make various statements concerning the application of competition rules, establishment of competition authorities and competition advocacy and shared their views in terms of ways and means to cooperate efficiently and effectively to overcome the problems/challenges encountered between the OIC member states.

The 2nd Session entitled “**Wrap-up Panel - The way forward**” was essentially devoted to find the most effective ways to address the needs of the OIC Member States and formulate the appropriate technical assistance for them.

At the end of this Conference, participants:

- Affirmed the fundamental role of competition law and policy for sound economic development and recommended the continuation of the work initiated by the Turkish Competition Authority;
- Highlighted the importance of awareness on benefits of competition among the OIC Member States;

- Appreciated the work carried out by the Turkish Competition Authority to further the Technical Assistance Project;
 - Highlighted the importance of the establishment of a Forum for the OIC Member States with an aim to encourage experience sharing among the competition agencies and/or bodies responsible from the enforcement of competition law and policy and requested Turkish Competition Authority in cooperation with the COMCEC Coordination Office to study the modality and details of this Forum.
- *Seminar on “The proliferation of Bilateral and Regional Trade Agreements and their impact on the regional integration process in Arab Countries”:* 4-6 June 2012, Casablanca – Kingdom of Morocco.

Within the framework of their technical assistance programme relating to the issues linked to the World Trade Organisation (WTO), the Islamic Development Bank Group (IDB) and the Islamic Centre for Development of Trade (ICDT) organized a Seminar on “The proliferation of Bilateral and Regional Trade Agreements (RTA) and their impact on the regional integration process in Arab Countries” from 4th to 6th June 2012 in Casablanca, Kingdom of Morocco.

This Seminar aimed to assess the implications of RTAs on the development policies of the OIC Member States and emphasized on practical lessons regarding the various options available to the regional integration process.

It was attended by the following International and Regional Organization: World Trade Organization, United Nations Conference on Trade and Development, International Trade Centre, Arab Maghreb Union, Technical Unit of Agadir Agreement and the following OIC Member States: Arab Republic of Egypt, Hashemite Kingdom of Jordan, State of Kuwait, Islamic Republic of Mauritania, Kingdom of Morocco, Sultanate of Oman, State of Palestine, State of Qatar, Kingdom of Saudi Arabia, Republic of Sudan, Republic of Tunisia.

Experts reviewed the following issues:

- Analysis of the relation between Article XXIV of the GATT Agreement and the Rules of the WTO relating to the Regional Economic integration agreements;
- Review of the prospects of the OIC Member States to integrate the multilateral trade system and to meet the commitments with the WTO;
- Exploration of opportunities and challenges represented by these agreements for the OIC Member States;
- Study of the adequate conditions and national strategies to be adopted to derive benefit from regional integration;
- Presentation and analysis of the experiences of some regional Arab and African agreements;
- Presentation of national experiences relating to the current negotiations of the regional and bilateral agreements.

SECTION III
REPORT ON
THE LACK OF PROGRESS OF DOHA ROUND
WHAT IS THE IMPACT ON THE OIC COUNTRIES?

EXECUTIVE SUMMARY

This report was prepared by ICDT in implementation of the COMCEC's resolution, which "Requests ICDT to examine in collaboration with IDB and other OIC institutions the lack of progress of the DOHA Round on the foreign trade of the OIC Member States and come up with policy recommendations and report to the 25th Session of the COMCEC"

In fact, the Doha Round on trade liberalization of products and services was portrayed since the launching in November 2001 as being in favour of Developing Countries. Five years later, Pascal LAMY, (the Director General of the World Trade Organisation) declared on 24th July 2006, the suspension of negotiations for lack of political consensus.

But since its launching little progress was observed on the issues of interest for Developing Countries in general and the OIC Countries in particular, generating thus the crystallization of the stances and to very tough negotiations strengthened by sharp divides at the level of the WTO Members, which gathered in groups and sub groups.

Since the Uruguay Round, negotiations have also stumbled over the issue of agriculture. Being of public interest, agriculture has always been considered as a crucial domain by several OIC Countries. Each trade agreement in the agricultural sector has a tremendous influence on the fate of large social layers.

I. THE CAUSES OF LACK OF PROGRESS OF DOHA ROUND:

On 29th July 2008, the Summit Meeting of the WTO resulted in failure; after 9 days of very tense negotiations. The disagreement between India, China and the United States on the agricultural imports was one of the main causes of the failure.

Profound disputes are persisting in all the negotiations sectors.

AGRICULTURE:

There are still persisting disagreements between the United States and the European Union on the level of American subsidies and the opening of the European market. The gap is even wider with the European countries. On behalf of the G20, Brazil requires from the United States to fix an absolute of ceiling up to 12 billion US dollars per year for their domestic support, which distort competition. The USA conveyed the information that they might decrease this ceiling from 22.6 billion to 17 or 19 billion US dollars-which is far from meeting the requirements of the G20.

Negotiations also stumbled over the agenda item entitled "**Special Safeguard Mechanism**" aiming at protecting the farmers of developing countries from a sudden surge of cheap imports. Discussions did not come up with a compromise that would allow resolving differences between the interests of the United States, Exporting Developing Countries and Developed Countries that would back up the most vulnerable agricultural system. The farmers of Developing Countries wanted to obtain

guarantees concerning the access to markets in order to compensate the concession on agricultural subsidies. On the contrary, Big Developing Countries (India, Indonesia...) expressed the wish to adjust their customs tariffs in order to counter very sharp increases in their imports, which jeopardize their subsistence farming that are hardly competitive.

The safeguard mechanism aims at enabling **importers Countries to raise temporarily their customs tariffs** to counter a sudden increase in imports or a price drop.

➤ Market Access to Non-Agricultural products (NAMA):

In exchange for concessions in the agricultural field, the United States and the European Union have requested DCs to limit at the utmost up to 15% the customs duties that they impose on the imports of industrial products. India and Brazil can do so up to 35% in order to protect their nascent industries; they also claim the upholding of safeguard clauses to meet possible price surge.

Developing countries drew attention to the fact that these ceilings would probably compel them to decrease their tariffs more strongly than the already industrialized countries. That would be contradictory with an agreement already concluded in a previous stage of negotiations that allowed developing countries to decrease less their customs duties than industrialised countries. Emerging countries have defended measures favourable to the protection of nascent industries in developing countries.

SERVICES:

- Negotiations on services are also hampered by profound disagreements. For instance, the proposals aiming at increasing the number of visas for temporary workers-major objective for Developing Countries - are fought by several developed countries, which are going through difficult debates on immigration. This problem along with others important issues as well are still unresolved.

➤ Other important disagreements are also persisting over sensitive issues such as:

- The **USA Subsidies to cotton**. Washington has not yet responded to the request of reducing them.
- Finally, the European Union wanted to strengthen the rules protecting the names of the places linked to AOC (**controlled terms of origin**) and wish to see this protection extended to other products linked to regional names.

II- POTENTIAL IMPACT OF DOHA ROUND:

A brief overview of the reports concerning the estimated gains of Doha shows mitigated results for developing countries. It reveals that even if the success of Doha negotiations implies promising prospects of economic benefits at world level, these gains would not be distributed in an equitable manner between developed and developing countries and that Africa would be particularly harmed. Besides, the sources generating gains for developing countries remain uncertain. If some reports underline the importance of the agricultural sector, others consider that trade in industrial goods and services contain more potential.

To keep its promises vis-à-vis its developing countries, it is essential for the Doha Round to succeed in establishing an equitable trade.

According to several studies, the gains of liberalization in agriculture would be shared in an unequal manner and are expected to be beneficial to only a small number of very competitive exporters (Australia, New Zealand, Brazil, Argentina, Thailand) as well as to the consumers of Developed Countries that would liberalize their trade in agricultural products (EFTA and South Korea, Taiwan and in a lesser degree the European Union).

All the studies show that the advantages of the opening of new outlets in the services liberalization and trade facilitation are potentially the most important aspects in the round.

The estimates on potential gains are in fact quite weak. On the basis of proposals made to the WTO Ministerial Conference held in Hong Kong in December 2005, analyses show that these gains would reach only about 40 billion US dollars.

Besides, studies show that out of these 40 billion, developed countries will collect the major part of these gains: between 21.9 billion and 31.7 billion dollars (respective projections of the CEPII and IBRD). This particularly true in the agricultural sector.

On the contrary and except for some countries such as China, South Africa or Thailand, DCs are the big losers of the Doha Round. Since the benefits range between 6.7 and 21.5 billion dollars, the impact on the fight against poverty shall be very low. Very concretely, it represents an increase in revenues by 0.01 and 0.003 dollars per day and per inhabitant for DCs.

► For the majority of the Least Developed Countries, particularly, sub Saharan Africa, the round will generate more losses and incomes both at agricultural and industrial levels.

Doha Round has tackled six kinds of problems relating to DCS in general and to LDCS in particular:

- 1. An erosion of preferences and consequently a loss in competitiveness and market shares;**
- 2. A drop in customs duties receipts;**
- 3. Very high administrative costs:** according to the World Bank , the administrative costs linked to the transposition of three major agreements of the (WTO sanitary and phytosanitary measures; customs duties, and Intellectual property) will amount to about 4.4 billion dollars per year for the whole DCs;
- 4. A fierce competition for local industry:** Competition between countries with different industrialization levels favours more the strongly competitive countries.
- 5. A restrained access to basic social services:** the liberalization of the services sector (energy, health, education, water) would have harmful effects on developing countries. Most of trade liberalization of services was negative: the quality has often deteriorated and prices increased.
- 6. More or less all over the world, the Agreement on the ADPICs has always experienced an increase of medicine prices due to the limitation of the right of recourse to generic drugs.**

REGIONAL IMPACTS:

Not all regions in the world economy will extract the same gains from the Doha Round Gains. Some regions only will derive net benefits. In fact, differences in initial specialization, initial domestic protection, and factor endowment are leading to contrasted results around the world.

In percentage terms, the largest gains will be obtained by the EFTA, thanks to its own liberalization in agriculture (4.12% increase in the GDP; followed by South Korea (2.2%) thanks to its own liberalization in agriculture and the liberalization of industrial products within the NAMA Framework, then by the ASEAN countries and Japan, which will benefit from Doha Round for the same reasons.

In general, Asia is the region, which would certainly suffer the most from a collapse of the negotiations, in addition to South Africa, Taiwan, Turkey and India.

Australia and New Zealand and the other CAIRNS Countries will also extract large gains from the Round thanks to the liberalization of agricultural sector. Gains accruing to the EU (GDP up to 0.36%), USA and Canada will be quiet limited.

- Among losers, we may quote the Caribbean, Mexico, North Africa and Sub Saharan Countries that will be victims of the erosion in preferences, the price increase in food products and the deterioration in the terms of trade. Apparently, China will not gain in this Round, since the country has already reaped the benefits of its own liberalization when acceding to the WTO and from better access to foreign markets, with the disappearance of textiles quotas.

An unexpected outcome is expected for the Latin American Countries, which will largely benefit from the liberalization of the agricultural sector.

III/ MAIN CONCLUSIONS AND RECOMMENDATIONS:

Doha Round is currently at a standstill. To resume negotiations a radical change is needed in the mentalities of Developed Countries; it is essential that the South Countries positions be taken into consideration. Developed Countries should not envisage coming back to the negotiating table before putting an end to subsidies and domestic support to the agricultural sector, facilitating market access to markets to the products of high interested for developing countries and recognize the need for flexibility and special treatment of developing countries within the framework of the opening of their markets to the products of developed countries in order to take into account the differences between the developmental levels of these two country groups.

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On the assumption that the conclusion of Doha Round would become impossible and that multilateralism would give way to regionalism, the world trade system would be faced with important dreadful pitfalls:

- ✓ On the one hand, the principle of non-discrimination- basic principle of the WTO- would be obscured. This erosion which has already undermined the WTO would continue in case multilateralism is abandoned. The tangle of the customs unions, common markets, regional or bilateral free trade areas and various commercial agreements has made the MFN Treatment exceptional.
- ✓ On the other hand, the discrimination, even if it is positive (case of preferential agreements), might result in a regression towards trade relations deprived from common rules and finally governed by the Law of the Jungle. We can therefore, deplore the fact that preferences cannot be granted without compensation.

It is essential that the OIC Countries strengthen their production capacities and improve the efficiency of their economy if they want to benefit from the world trade. The mere removal of tariff barriers will not automatically be reflected by an increase in the market shares for these countries, especially if the latter do not show the required capabilities in the fields of production, infrastructures, (like electricity, telecommunications and transports) and administration (for example the improvement of customs and other trade facilitation services). They should also develop their marketing infrastructures, their trade negotiations capacities as well as their analysis and implementation abilities. They have to make their economy more competitive, particularly in the manufacturing and services sectors and foster investments in the private sector that have been recognized as the driving force of growth in several countries.

The OIC Countries should necessarily strengthen their commercial links through a stronger regional economic integration. In this respect, it is imperative to speed up the implementation of the TPS/OIC and the PRETAS to rapidly achieve the free trade area in compliance with the resolutions of the 3rd OIC Extraordinary Summit Conference held in Makkah Al Mukarram in Saudi Arabia in December 2005.

Likewise, the OIC Countries should pool together their ranks to constitute a group endowed with a strong negotiating capacity within the WTO and the different international economic bodies.