

STATEMENT BY COMMONWEALTH SMALL STATES TO THE 6TH WTO MINISTERIAL CONFERENCE

Communication from Antigua & Barbuda, the Bahamas (observer), Barbados, Dominica, Fiji, Guyana, Grenada, Jamaica, Mauritius, Papua New Guinea, Solomon Islands, St. Kitts & Nevis, St. Lucia, St. Vincent & Grenadines, Trinidad & Tobago

The small and vulnerable states of the Commonwealth, extend best wishes to the Government and citizens of Hong Kong, China, and express our deepest appreciation for your hosting of the Sixth Ministerial Conference of the WTO. We would like to take this opportunity to commend you for the hospitality, security and logistical arrangements provided to our constituent delegations.

As small vulnerable states in the multilateral trading system, we remain steadfast in our commitment to the ongoing multilateral trade negotiations that are being conducted in pursuit of delivering the articulated goals of the Doha Development Agenda. For our economies, the development dimension of the Doha Round represents an opportunity for us to overcome the myriad challenges presented by our small size, peculiar vulnerabilities and geopolitical realities.

The Commonwealth Heads of Government in their *Valetta Statement on Multilateral Trade* highlighted their concerns about the consequences of the development and trade challenges being faced by vulnerable states, including small states, particularly those traditionally dependent on preferential market access arrangements. They also called for urgent and concerted actions to provide phased adjustment and other transitional measures to safeguard their interests, and also financial support to assist them in repositioning their economies to take advantage of new growth opportunities.

Small States are characterized by, inter alia,

- (i) small domestic markets;
- (ii) exceptional high degree of openness to external economic developments with respect to trade, capital flows and technology;
- (iii) concentration of exports on a narrow range of commodities and markets;
- (iv) restricted range of resources;
- (v) diseconomies of scale;
- (vi) dependence on foreign resource flows;
- (vii) limited capacity to manage the social and economic environment;
- (viii) vulnerability to natural disasters;
- (ix) geographical isolation; and
- (x) Susceptibility to external shocks.

Collectively, these characteristics confer a high degree of vulnerability upon Small States and serve to heighten the difficulties that we face in pursuit of achieving economic growth, sustainable development and the concomitant societal goals.

It should be recalled that the Doha Development Round represents an opportunity to reform the multilateral trading system to make it more amenable to the economic recovery, growth and development of small vulnerable economies (SVEs).

Therefore, Special and Differential Treatment (S&D) provisions must, by necessity, be of economic value, precise, effective and operational. Moreover, these should be integrated into the current technical work being undertaken in the various negotiating groups, particularly addressing the supply-side capacity constraints of small vulnerable economies (SVEs). It is also imperative for the modalities to be crafted in such a manner so as to provide support for the diversification of the production and export base of SVEs.

For the small vulnerable states of the Commonwealth, the operationalization of the principle of *less than full reciprocity*, as articulated in paragraph 16 of the Doha mandate and consistent with Part IV as well as Article 36 of GATT, is equally critical. Moreover, in attempting to deliver on the development dimension, there should be preservation of the complementarities between the principles of S&D and *less than full reciprocity*.

What is of critical importance to the very survival of our economies is an outcome at the end of this Ministerial Conference that meaningfully addresses the commodity issues; preference erosion; and the loss of long-standing preferences, particularly in respect of sugar and bananas. This would undoubtedly require a solution within the context of the WTO negotiations, which is complemented by targeted compensatory and other adjustment mechanisms.

Aid-for-Trade initiatives must ensure that our small, vulnerable preference dependent economies which are not LDCs are also major beneficiaries. Aid-for-Trade initiatives should be made more accessible, sustainable and be geared at redressing supply-side constraints, as well as strengthening trade and production-related infrastructure.

In concluding, small states wish to reiterate their commitment to establishing a fair, equitable and rules-based multilateral trading system. We also reaffirm our willingness to work collectively with other Members to deliver on the development dimension of the Doha Round, in order to ensure that the system is made more amenable to fostering growth and development of small vulnerable economies.