**Declaration by the Group of 77 and China in preparation of the Sixth**

**WTO Ministerial Conference, Hong Kong, China, 13 – 18 December 2005**

1. We, members of the Group of 77 and China, reaffirm our commitment to the eradication of poverty worldwide, the promotion of sustained economic growth, sustainable development and global prosperity for all, particularly through further development of trading and financial system, as provided in the Millennium Declaration, and restated in 2005 World Summit outcome by our heads of state and governments.

2. Acknowledging that trade is not an end in itself but a means to development, peace and security, we aspire to strengthening the multilateral trading system in a manner that promotes development, and be responsive to the needs of developing countries.

3. In this regard, we recall the commitment made in the outcomes of the Second South Summit held from 12–16 June 2005 in Doha, Qatar, to striving for an open, rule-based, predictable, non-discriminatory and equitable multilateral trading system, to allow developing countries adequate policy space and for the pursuit of their national development policy objectives, while complying with their commitments and obligations undertaken.

4. We emphasize the importance of strengthening multilateralism in the face of growing protectionist tendencies from developed countries, which have a considerable bearing on the ongoing World Trade Organization negotiations.

5. We emphasize that Regional Trade Agreements (RTA's) should complement the goals of the multilateral trading system, and in this context stress the importance of clarifying and improving disciplines and procedures under the existing provisions of the WTO applying to RTA’s, in accordance with paragraph 29 of the Doha Ministerial Declaration taking into account the developmental aspects of RTA’s.

6. We reaffirm the commitment made at the Fourth Ministerial Conference of the World Trade Organization, and in the decision of 1 August 2004 of the General Council, to place development at the heart of the Doha Work Programme.

7. We call for a renewed political commitment of all countries to address the inherent asymmetries and inequalities in the international market place, the structural limitations, inadequate supply capacities and the vulnerabilities of developing countries to the external economic and financial environment and the pressures that arise therein, and to put in place a development-oriented multilateral trading system, both in words and in action, in order to ensure that all countries, particularly developing countries, can benefit.

8. Mindful that the Doha Work Programme placed the economic interests and development needs of developing countries at its centre, we express strong disappointment over the missed deadlines and the lack of progress in the negotiations within the WTO, especially on issues of direct interest and economic value to developing countries, and note with concern the contrast between the objectives laid out in the Doha Work Programme and the proposals by developed countries in key areas of interest to developing countries, which fail to take into account their interests and needs; and jeopardize the development objectives of the Doha Development Agenda.

9. We call on the participants of the Six WTO Ministerial Conference to expedite the Doha negotiations with an aim to the successful conclusion of the Doha Round. We strongly believe that a successful conclusion of the Doha negotiations that is development friendly will not only significantly sustain the confidence of developing countries in the multilateral trading system but will also in the long run benefit the developed countries by creating a balanced and inclusive global economic system.

10. We emphasize that, while developing countries are committed to undertaking their international obligations, these undertakings may impose high costs, and that given the differences in the levels of development between developed and developing countries and the possibility of countries to assume obligations, it is imperative that identical obligations are not forced on unequal participants. We further emphasize to integrate the development dimensions into international rule making and that the international community must remain sensitive to this and take into account the need for flexibility and national policy space for countries while assuming international commitments.

11. We stress the importance for all countries of consistency between national trade policies and the multilateral trade agreements. In this regard, we reiterate our concern and call for the elimination of the continuing use of coercive economic measures against developing countries, through, *inter alia*, unilateral economic and trade sanctions which are in contradiction with international law, in particular new attempts aimed at extraterritorial application of domestic law, which constitute a violation of the United Nations Charter and of WTO rules and reiterate the urgent need to eliminate them immediately.

12. We note that the benefits of the existing multilateral trading system have to put the development dimension into the core of commitments. In this sense, we reaffirm the commitment by our heads of states and governments at the 2005 World Summit to expeditiously working towards implementing the development dimensions of the Doha Work Programme, and call upon our trading partners to make positive efforts to ensure that developing countries, especially the least developed among them, secure a share in the growth of world trade commensurate with the needs of their economic development.

13. We stress the importance of an open, transparent, inclusive, democratic and more orderly process and procedures for the effective functioning of the multilateral trading system, including in the decision-making process, so as to enable developing countries to have their vital interests duly reflected in the outcome of trade negotiations.

14. Bearing in mind the lack of progress on implementation issues, we reiterate the need for full and faithful implementation and the redress of existing imbalances arising from the Uruguay Round Agreement, which is an important step towards confidence building and restoring the credibility of the multilateral trading system and therefore must be meaningfully resolved, with urgency.

15. We wish to stress once again that special and differential treatment for developing countries is an integral part of all WTO agreements and must be taken into account in all aspects of the negotiations. We urge that further progress be made to fulfill the mandate contained in paragraph 44 of the Doha Ministerial Declaration and in the 1 August 2004 Decision of the General Council, that all special and differential treatment provisions be reviewed with a view to strengthening them and making them more precise, effective and operational. WTO agreements should address developmental needs of developing countries, particularly LDCs, in a more meaningful and effective manner. We call upon developed countries to urgently undertake positive measures to respond to the development and trade needs of developing countries, taking into consideration their supply side constraints, and shall take fully into account the special and differential treatment, including through less than full reciprocity in reduction commitment for developing countries.

16. We emphasize that it is essential to adopt appropriate measures to bridge the development divide including the technological gap between the developing and developed countries and to work towards arrangements that facilitate the processes of technology transfer.

17. We highlight that the work of examination of the relationship between the TRIPs agreement and the CBD shall continue on the basis of the paragraph 19 of the Doha Ministerial Declaration, and the Progress made in the Council for TRIPS to date and as appropriate take into account the latest discussions considered by other forums related to this issue.

18. The Integrated framework (IF) remains a viable mandate for delivering coordinated trade and trade-related technical assistance to LDCs but needs to be strengthened. Strengthening the effectiveness of it would require *inter alia*, a significant resource increase, with a view to building up supply-side capacity, technological and physical infrastructure that would support diversification of LDCs’ production and export base. The IF trust fund requires adequate funding and greater transparency in its implementation, including the basis for selecting beneficiary countries. We also reiterate that the JITAP should be strengthened and expanded to a larger group of African and other developing countries, with adequate funding.

19. We reiterate that agriculture remains a fundamental and key sector for the overwhelming majority of WTO members’ economies specially for developing countries and that the successful conclusion of the Doha Work Programme negotiations depends largely on the success of agriculture negotiations. A good outcome in the agriculture negotiations would provide the necessary impetus for progress in the other negotiating areas, which are also key to the successful conclusion of the Round.

20. We emphasize that the modalities on agriculture and NAMA should substantially improve market access opportunities for products of export interest to developing countries and the level playing field. However, due regard should be given to the need for appropriate policy space for developing countries to pursue policies in a manner consistent with their respective needs and concerns at different levels of economic development.

21. We reaffirm the need for WTO members to find positive measures to address the negative impact of the erosion of preferences arising out of the on-going market access negotiations, including agriculture and non-agriculture market access negotiations.

22. We underscore the need to give a positive consideration to the trade-related issues pertaining to special products SP, and special safeguard mechanism (SSM) and the commodity sector.

23. We urge our partners to improve substantially and in commercially meaningful manner services offers, particularly on sectors and modes of supply of export interest to developing countries, especially Mode 4 at all levels of skill. We reaffirm that any complementary approach to the services negotiations should be compatible with the GATS and the negotiating guidelines. We further emphasize that an outcome of services negotiations shall not erode flexibilities or negate the policy space of developing countries.

24. We call for concrete and urgent response to be given to the commitment to address cotton issues ambitiously, expeditiously and specifically, including through the adoption of a fast track, front-loading approach to eliminating trade measures affecting cotton and providing development package to cotton producers.

25. We recognize the serious adverse impact that long term decline and sharp fluctuations in prices of primary commodities have on the populations of commodity dependent exporting developing countries, and underscore the need to effectively address the trade-related issues pertaining to the commodity sector in WTO negotiations.

26. We urge our trading partners to fully comply with the Modalities for Negotiating on Trade Facilitation. We urge developed country partners to increase financial resources for enhancing technical cooperation and capacity building support in this area during and after the negotiations, including support for infrastructure development.

27. We emphasize the importance of the strengthening and attainment of the universality of the WTO membership and, in this context, call for accelerating the accession process without political impediments, in an expeditious and transparent manner and with full observance of the principles of special and differential treatment for developing countries in particular LDCs applying to the WTO. Currently 29 countries, overwhelming number of which are amongst developing countries are negotiating their accessions to the WTO. Acceding developing countries need to be assured of terms and conditions that comply with their development needs.

28. We recognize the extensive commitments undertaken by the Recently Acceded Members to the World Trade Organization, and urge all WTO Members to extend the necessary flexibilities requested by those countries to balance the outcome of this round of negotiations.

29. We are deeply concerned by the continued marginalization of the LDCs in the global economy and the continued deterioration of their economic and social conditions in spite of the commitments made by development partners at the Third UN Conference on LDCs in May 2001. Recalling those commitments we urge the developed countries and relevant organizations of the UN system, including the Bretton Woods institutions to increase concerted efforts and adopt speedy measures for meeting, in timely manner, the goals and targets of the Brussels Programme of Action in favor of the LDCs for the decade 2001-2010.

30. We also urge all developed countries to immediately grant bound duty-free, quota-free market access for all products from least developed country exports with simple, realistic and flexible rules of origin adapted to industrial profile of beneficiary LDCs~~.~~

31. We underscore the mandate to examine issues relating to the trade of small and vulnerable economies, as recognized in paragraph 35 of the Doha Ministerial Declaration and reaffirmed in the General Council decision of 1 August 2004. We urge WTO Members to address and adopt specific trade-related measures to ensure the fuller integration of small, vulnerable economies into the multilateral trading system.

32. We urge WTO and its Members to enhance their cooperation with the United Nations Conference on Trade and Development as the focal point within the United Nations System for the integrated treatment of trade and development and the interrelated issues of finance, technology, investment and sustainable development.

33. We take note of current work on enhancing coherence and complementary among the Bretton Woods institutions and the WTO, whose policies and obligations should be mutually supportive in promoting the development objective of the MTS, especially those of developing countries, with a view to ensuring policy consistency, improved co-ordination on technical and financial assistance, reduction of the debt burden and eradicating poverty. To this end, the imposition of cross conditionalities or additional conditions on Governments shall be avoided.

34. We consider that developing countries continue to be constrained among others by limited technical and institutional capacities to fully adapt their national laws and fulfill their obligations as required and take full advantage of the provisions of the multilateral trade agreements. We urge developed country members of the WTO to fulfill their obligations and undertakings with regard to capacity building, and other technical assistance support to developing and least developed countries in letter and spirit. There is a need to enhance and ensure the provision of necessary resources on a predictable and regular basis. We call for strengthening technical assistance and capacity building activities of WTO, UNCTAD and other international agencies of United Nations and other relevant organizations, particularly in respect to trade negotiations.

35. In this regard, we welcome the support provided by our developed country partners on trade-related technical assistance and capacity-building and the recent engagement of discussion on aid for trade, as an additional financial mechanism to strengthen supply-side and infrastructure capacity, diversification of trade in developing countries, particularly LDCs and address adjustments challenges and costs for their effective integration into the Multilateral Trading System.

36. We emphasize that each country has the sovereign right to determine its own development priorities and strategies and that technical assistance should not be subject to any conditionality.

37. We, the Group of 77 and China, reiterate our commitment to constructively engage in the negotiations for the success of the Ministerial Conference with the aim of reducing barriers to trade among nations and making the trading system more development-focused, in the spirit of cooperation and development solidarity. We strongly call upon our developed country partners to fully engage in the negotiations showing political will to realize the successful and balanced outcomes of the Conference and of the Doha negotiations by the end of 2006, and to reaffirm their political commitment made in Doha to foster a new spirit of international cooperation based on the principle of shared benefits but differentiated responsibilities.

7 December 2005