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PROPOSALS RELATING TO AGRICULTURE, COTTON AND NAMA PARAGRAPHS IN THE DRAFT MINISTERIAL TEXT

Communication from Zambia

The following communication, dated 16 December 2005, is being circulated at the request of the delegation of Zambia on behalf of the LDC Group.

The LDC Group would like the current texts in paragraphs 8, 10 and 14 of the Draft Ministerial Text (WT/MIN(05)/W/3) to be replaced by the following:

8. *On special and differential treatment, we note in particular the consensus that exists in the Framework on several issues in all three pillars of domestic support, export competition and market access, including the exemption of LDCs from undertaking any reduction commitments and that some progress has been made on other special and differential treatment issues. We reaffirm that LDCs shall have full access to special and differential treatment provisions negotiated under agriculture.*

10. *We recall the mandate given by the Members in the Decision adopted by the General Council on 1 August 2004 to address cotton ambitiously, expeditiously and specifically, within the agriculture negotiations in relation to all trade-distorting policies affecting the sector in all three pillars of market access, domestic support and export competition, as specified in the Doha text and the July 2004 Framework text. We note the work already undertaken in the Sub-Committee on Cotton and the proposals made with regard to this matter. [We reaffirm our commitment to ensure having an explicit decision on cotton on an "early harvest" basis and we adopt the following modalities [...].]*
 - a) Total elimination by 31 December 2005 of export subsidies;
 - b) Substantial reductions of domestic support measures that distort trade on cotton, under the following timeframe:
 - i. 80% by the 31st of December 2006
 - ii. 10% by the 1st January 2008
 - iii. 10% by the 1st of January 2009

c) Elaboration of disciplines that prevent shifting of domestic support between different boxes;

d) Setting up of Emergency Fund to address cotton revenue deficits resulting from cotton price depressions in the international markets;

e) Mobilization of the technical and financial assistance for the reinforcement of the cotton sector in Africa that will build capacity of African Countries to process and add value to cotton and its by-products; and

14. *We reaffirm the importance of special and differential treatment and less than full reciprocity in reduction commitments as integral parts of the modalities. We also reaffirm that LDCs are exempt from applying the formula or participating in the sectoral approach. However as part of their contribution to this round of negotiations, they are expected to increase their level of binding commitments consistent with their trade development and financial needs.*
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