

Hong Kong Outcomes for Africa:

EVERYTHING BUT DEVELOPMENT

Press Statement by AFRICA TRADE NETWORK

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Rather than being an important milestone towards the achievement of the much touted development round, Hong Kong has ended as a platform for anti-development outcomes.

The declaration from the Hong Kong WTO Ministerial is a loss for African countries. They have been forced to concede on most of the positions with which they came to Hong Kong. And whatever comfort exists in the other areas is ambiguous at best, illusory at worst.

The clearest loss is in the area of services, where their right to choose which service sectors to open and to what extent, according to their own national needs, has been undermined. Annex C on services opens up for plurilateral and sectoral negotiations as well as increased foreign ownership in investment in service sectors - putting enormous pressures on African countries to open up sensitive service sectors to powerful corporations from the North.

Through the adoption of a Swiss formula on Non Agricultural Market Access (NAMA), African countries will be forced to undertake drastic cuts in their industrial tariffs. This will lead to further collapse of local industries, de-industrialisation and massive job losses. The text also opens up for sectoral elimination of industrial tariffs.

In the area of agriculture, critical African interests have been ignored, such as the need for specific flexibilities for developing countries with tariff ceilings and homogenous low bindings.

The end date of 2013 for the elimination of export subsidies loses in significance when compared to the damages to African farmers caused by domestic support measures in the rich countries. The domestic support in the EU amounts to 55 billion euros, while export subsidies amount to 3 billion euros.

The rich countries have also given themselves an escape route through a formulation that the end date will be confirmed only upon the completion of the modalities.

All this in return for a so-called development package which is essentially empty. The offer to Least Developed Countries (LDCs) is far below expectations. Instead of the initial demand of bound duty-free and quota-free access to developed country markets on all products for all LDCs, they have seen this offer being watered down to a product coverage of 97% with a best endeavour language of "on a lasting basis". This means that the rich countries can exempt exactly those products that are of export interest to African LDCs.

Aid for trade is basically an empty proposal at best, because there is no commitment to providing the money promised; and at worst, an aid for trade liberalization to support African economies adjust to forced liberalization.

On cotton, the main threat to African cotton producers - the domestic support in the industrialized countries which destroys the market for millions of African cotton farmers - has not been removed.

Africa Trade Network

Contact: Tetteh Hormeku, TWN-Africa, 92742581, Karin Gregow, EcoNews Africa, 65360574