



University of London

## INSTITUTE OF COMMONWEALTH STUDIES

### **Key Commonwealth Documents: Valletta Statement on Multilateral Trade**

*Issued at the 2005 Commonwealth Heads of Government Meeting in Malta, hosted by Prime Minister Lawrence Gonzi.*

1. We, the Heads of Government of the Commonwealth represent one quarter of the world's governments, one-third of the world's population and one-fifth of global trade. Our membership is diverse: our 53 members include some of the poorest and wealthiest as well as some of the smallest and largest states in the world, and we represent every continent and ocean on the globe.
2. We recognise the fundamental contribution of international trade to global prosperity, poverty elimination and sustainable development.
3. We also recognise that in today's world, characterised by the accelerating influence of globalisation, trade issues can no longer be negotiated in isolation and that human security in its totality must be reflected in the outcomes of multilateral trade negotiations. We firmly believe that the legitimacy of the multilateral trade negotiating system should not be called into question, and that the weak and vulnerable must benefit from an equitable share in the universally available opportunities provided through international trade.
4. We reaffirm our abiding commitment to the objectives of the Doha Development Agenda of the World Trade Organisation, which provides an unprecedented opportunity to cement in place a rules-based and equitable international trading system.
5. Our collective agenda in the WTO is premised upon the essential need that the Doha Round is brought to a successful conclusion by the end of 2006 at the latest. We define success in the Doha Round to be the extent to which there are early and substantial dividends for all developing countries, and the extent to which the development dimension permeates all aspects of the negotiated outcomes.
6. We recall our Aso Rock Statement on Multilateral Trade of December 2003, and welcome the progress achieved in the Doha Round over the last two years. However, we are deeply concerned about the pace of the negotiations. We also believe that the outcome of the Doha Round must be based on

higher ambitions than are currently evident, and the Commonwealth collectively pledges its global influence to correct this.

7. We therefore commit ourselves to inject urgency into the work of our negotiators at the WTO. In particular, we are instructing our delegations to the forthcoming WTO Ministerial Conference in Hong Kong to be flexible and to place priority on a genuinely development-oriented Round for the collective good.
8. We call on all developed countries to demonstrate the political courage and will to give more than they receive in this Round, particularly in the negotiations on agriculture and market access, as their own longer term prosperity and security depend on such an approach. We recognise that developing countries must also demonstrate flexibility and commitment to ensure a successful outcome to the Round.
9. We are mindful of the critical importance of agriculture to developing economies for subsistence, as a reservoir of future economic growth, and as a sector where many of our members have a potential comparative advantage. Agriculture is the most distorted sector of world trade and we are determined to pursue significant progress towards fuller and more meaningful subjection of agricultural production and trade to multilateral disciplines. We note the offer on agriculture made by the United States of America and express the hope that the European Union and others who maintain high levels of agricultural protection respond in the same spirit.
10. We recognise that agriculture cannot be seen in isolation but believe that significant progress in the negotiations on agriculture at this stage will provide impetus to progress in other negotiating areas of the Round. We are resolved to pursue actively a strongly development-oriented Round, including balanced agreements on non-agricultural market access, services, rules, trade facilitation, and implementation issues.
11. The WTO Ministerial Conference in Hong Kong should therefore reach agreement on the elimination of all forms of export subsidies by 2010, and also time-bound commitments for substantial reductions in trade-distorting domestic support and significant improvements in market access.
12. We are concerned about the consequences of the development and trade challenges being faced by vulnerable states, including small states, especially those traditionally dependent on preferential market access arrangements. We call for urgent and concerted action 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.
13. We recognise the adverse implications of the European Union's recent announcement of reform to its sugar regime for a number of vulnerable small Commonwealth countries in terms of its impact on employment, incomes, and export earnings. We urge the European Union to provide transitional financial arrangements in which there is symmetry between compensation provided to these Commonwealth sugar producers on one hand and EU producers on the other. We also urge the European Union to take into account that vulnerable small states are less capable of adjustment in the envisaged reform

timetable, and that compensation should be delivered in an efficient and timely fashion.

14. We reaffirm our determination to work towards duty-free and quota-free access for Least Developed Countries to the markets of developed countries and, where possible, to the markets of developing countries.
15. At the core of the Doha Round is the imperative of delivering development dividends. Therefore, we highlight the importance of appropriate Special and Differential Treatment for developing countries and small states in particular. These countries have neither benefited fully from past multilateral trade negotiations nor have the capacity to adjust or benefit immediately from the outcomes envisaged in the Doha Development Agenda.
16. We also applaud the "Aid for Trade" initiative endorsed by the G8 as a vehicle for meaningful market access. We call for adequately funded and structured assistance to developing countries in this area to enable them to participate more effectively in the multilateral trading system.
17. We renew our commitment to the work of the Commonwealth Secretariat's technical assistance and analysis programmes aimed at diversifying the economies of small states, improving their export competitiveness and strengthening the capacity of all our developing member countries to participate in global trade. The Secretariat has also worked to define and articulate our distinct Commonwealth voice of fairness and equity on multilateral trade issues, and that should continue at all levels be they national, regional or international. Finally, we call on the Secretary-General to explore innovative approaches to strengthen intra-Commonwealth dialogue, networking, and collaboration on trade and economic issues.

26 November 2005<sup>1</sup>

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