



37-39 Rue de Vermont
1202 Genève - Geneva

Délégation permanente
Permanent Delegation

Ref: ACP/GEN/TEW.11

3 November 2005

*H. E. Ambassador Stefan Johanesson
Chairman
Negotiating Group on Market Access
World Trade Organisation*

Mr. Chairman,

The ACP Group of States, which comprises 79 Member States of which 56 are WTO Members and 6 are observers, has on several occasions re-iterated its support to your efforts and has participated constructively in the work being carried out in the Negotiating Group. We remain committed to engage in this endeavor to ensure that the Hong Kong Ministerial meeting is a success and achieve a result that is satisfactory and balanced for all the Members of this organization. At this critical juncture, however, where we are all intensifying our effort to come up with an acceptable package for the Ministerial Meeting, we thought it opportune to re-emphasize the elements which the ACP Group of countries would wish to see in the NAMA modalities.

- (i) For the ACP, the issue of preference erosion is central to the NAMA negotiations as tariffs reduction would impact negatively on them, resulting in devastating socio-economic consequences for their economies. This has been re-iterated in the various ACP submissions and the numerous statements made in the Negotiating Group. Accordingly, the modalities for the negotiations should provide clearly for a methodology to address preference erosion in the negotiations. The July Decision has mandated the Negotiating Group to work on "the specific of preferences". In line with that Decision, the ACP has already tabled a proposal (Ref. TN/MA/W/53) with the objective of identifying the products most likely to be affected by preference erosion in an objective manner. This would allow for a more focused approach to the issue. The ACP is prepared to work along these lines and in collaboration with other delegations to advance discussion on this crucial issue and come up with an acceptable solution. **The ACP cannot envisage a NAMA package for the Hong Kong Ministerial Meeting without the issue of preference erosion adequately reflected therein.**
- (ii) The ACP countries remain concerned that an ambitious formula to be applied by them would put serious strains on their fragile economies. Accordingly, the ACP supports that the tariff reduction approach should

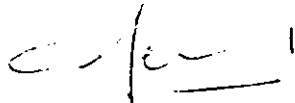
fully incorporate the principle of less than full reciprocity to address the specific needs of ACP countries. The modalities should also include appropriate flexibilities and special and differential treatment for the ACP countries.

- (iii) The ACP re-affirms the need for exempting the LDCs from tariff reduction commitments.
- (iv) The ACP also supports that the work in the Negotiating Group on non-tariff barriers should be carried out in tandem with the work on the other elements under negotiations.
- (v) The ACP fully supports the work programme for small, vulnerable economies. The ACP also believes that the trade concerns of small, vulnerable economies in the NAMA negotiations, shall be taken into account in any outcome of the Hong Kong Ministerial Conference.

The Doha Ministerial Declaration places the needs and interests of developing countries at the heart of the Doha Work Program. In particular, it lays emphasis on making positive efforts designed to ensure that developing countries, and especially the least-developed countries among them, secure a share in the growth of world trade commensurate with the needs of their economic development. For the ACP, the outcome of the NAMA negotiations must deliver a package that will spur industrial development and create more employment for its people. This includes addressing the above elements. The ACP is, therefore, ready to work with you and other delegations in further developing the above elements for inclusion in the Ministerial Text for Hong Kong.

We wish to ensure you of our continuous collaboration.

Yours sincerely,



S. B. C. Servansing
Ambassador and Permanent Representative of Mauritius
ACP Group Coordinator
Geneva

List of ACP Countries

- | | |
|---------------|-----------------------------|
| 1. Angola | 2. Benin |
| 3. Botswana | 4. Burkina Faso |
| 5. Burundi | 6. Cameroon |
| 7. Cape Verde | 8. Central African Republic |
| 9. Chad | 10. Comoros |