

Press Release

Response from HKPA to Pascal Lamy

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On 12th December, Mr. Pascal Lamy, the Director-General of WTO, reported the new development of negotiation to the European Parliament. According to Lamy, many member states are committed to further concession and flexibility, so as to ensure a progress in the negotiation. This is an evidence, Lamy claimed, that WTO is able to advance and protect the developing countries. HKPA holds the view that the 'concessions' are in fact an illusion. The scant concession in the TRIPS is a carrot to obtain an aggressive liberalization of the services and non-agricultural market access (NAMA) in the member-states.

Lamy pointed out that WTO intended to allow the least-developed countries an extension of the implementation period until 2013 to 2016 to comply with the agreements on intellectual property rights. According to TRIPS, the implementation periods for different members varies: 2001 for developing countries and 2006 for least-developed countries. The new concession is no more than a delay of implementation for a few years. However, the least-developed countries will not be able to catch up with the developed countries with respect to technology, pharmaceutical development and production in a few decades. A postponement of a few years offers no solution to the problem of the unaffordable medicine in the developing and least-developed countries.

Another concession in TRIPS is to allow more flexibility to developing countries in the interpretation of the agreement on intellectual rights. For example, in case of public health crisis, developing countries are permitted to import generic copies of patented drugs. Again, this is a very limited concession. A panel of 'experts' in WTO, rather the legal system of sovereignty state, holds the power to interpreting TRIPS. When a dispute arises, the judicial power is retained in the hands of the panel. How to interpret 'public health crisis' and whether a harsh or lenient interpretation is applied are up to the closed-door decision of the panel. Many previous dispute cases prove that the panel inclines to the interest of transnational corporations.

In agriculture, Lamy declared that the reduction of tariff would no longer be done with an average reduction. Tariff will be tailored made to different countries. We believe this change is a confession of the injustice that developing countries face in the previous rounds. According to the agreement in 1995, the tariff reduction of developed countries is 36% while that of developing countries is 24%. But this is unfair. If we take into consideration the huge difference of agriculture subsidies and tariff between the developed and developing countries, the 24% reduction is a drastic cut for the developed countries while tariff in the developed countries remains high. Lamy stated that WTO is tackling this problem and EC and US will eliminate the export subsidies. We think that this does not imply WTO is compassionate to the farmers in developing countries. The scant concession is a carrot for a greater return: the liberalization of services market and privatization of public services in GATS, as well as the liberalization of NAMA with respect to industrial goods, mining products and fisheries.

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