

COMMUNICATION FROM THE REPUBLIC OF CUBA

Reservation of the Republic of Cuba regarding services in the Hong Kong Ministerial Declaration

The following communication, dated 2 February 2006, was received from the delegation of Cuba and is being circulated to the Members of the Council for Trade in Services.

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1. The Government of the Republic of Cuba reiterates to WTO Members its reservations concerning the decisions on services in the Ministerial Declaration, which were publicly expressed at the Heads of Delegation meetings on 17 and 18 December 2005 and at the closing session of the Sixth WTO Ministerial Conference on 18 December 2005.
 2. The Republic of Cuba objected to the irregularities in the negotiating process before and during the Conference, as well as the non-transparent and much less participatory procedures used for the adoption of decisions, which resulted in a text on services which Cuba did not and does not now support.
 3. Despite being rejected by a large number of country Members, the revised drafts of Annex C, dated 17 and 18 December 2005, did not substantially change its content in relation to the draft Ministerial Declaration, document WT/MIN(05)/W/3, of 7 December 2005, which gave preference to a text that fundamentally favours the interests of developed countries, to the detriment of most Members.
 4. The delegation of Cuba played no part in the earlier decision to transform Annex C into a consensus text despite continued opposition from a considerable number of delegations from underdeveloped countries.
 5. The Republic of Cuba considers that the Annex C negotiating mandate is qualitatively more ambitious than that contained in paragraph 15 of the Doha Ministerial Declaration and alters the balance of interests between Members, placing underdeveloped countries at a disadvantage. Annex C on Services is also more prescriptive and specific than its counterpart in the July 2004 Package, impairing the flexibilities provided for in the General Agreement on Trade in Services and in the negotiating guidelines agreed in 2001.
 6. The Cuban reservation regarding paragraphs 1, 2 and 7 of Annex C is based on the fact that the new plurilateral, sectoral and modal negotiating approaches will in practice affect the flexibility mechanisms available to enable underdeveloped countries to liberalize only the subsectors of their choice and to the extent that they themselves determine, which could have implications for strategic sectors of their economies.

7. Moreover, Annex C of the Ministerial Declaration sets out objectives for modes of supply which entail commitments to greater liberalization and qualitative parameters to measure the level of liberalization that are inconsistent with the economic and social policy objectives of Cuba. Commitments on elimination or substantial reduction of economic needs tests and MFN exemptions are presented without making an explicit distinction between developed and underdeveloped countries, thus eliminating the possibility for the latter to use them as necessary instruments for sustainable development.

8. In addition, unrealistic time-limits have been set for submission of the second round of revised offers, for submitting final draft schedules of commitments and for presenting plurilateral requests, without taking into account the fact that it has not yet been possible for most underdeveloped countries to meet the previous deadlines. Consequently, the Government of the Republic of Cuba considers these time-limits to be merely indicative.

9. The Republic of Cuba has always considered that a prior assessment of the results of the liberalization of trade in services, so as to measure its impact on the economies of the underdeveloped countries, should be a precondition for undertaking new commitments. In the absence of such an assessment, we consider that the results of this Round might not have the social, economic and trade effects required by underdeveloped countries to achieve sustainable development. Consequently, an early date should be set for the Council for Trade in Services to meet this requirement.

10. As a result, none of the points mentioned in the previous paragraphs obliges the Government of the Republic of Cuba to undertake commitments that run counter to or limit Cuba's economic, trade and social development objectives. Similarly, Cuba's participation in any of the above-mentioned modalities or approaches will be carried out on a voluntary basis, and it will therefore maintain its sovereign right not to participate in them when it so decides.
