

**COMMUNICATION FROM THE KYRGYZ REPUBLIC
AND THE REPUBLIC OF MOLDOVA**

The following communication, dated 1 November 2005, is being circulated at the request of the Delegations of the Kyrgyz Republic and the Republic of Moldova.

**SPECIAL FLEXIBILITIES AND TECHNICAL ASSISTANCE AND CAPACITY BUILDING
FOR SMALL LOW-INCOME COUNTRIES IN TRANSITION**

I. INTRODUCTION

1. Paragraph 38 of the Doha Declaration, as well as paragraph 1(d) and other sections of the General Council's Decision of 1 August 2004, underline the difficulties faced by "small low-income economies in transition" in their efforts to implement economic and trade policy reforms.
2. The Kyrgyz Republic and the Republic of Moldova, are countries that acceded to the WTO in recent years (1998-2001). These countries have been undertaking a high level of liberalization commitments, a level that is unprecedented in the history of GATT/WTO.
3. This paper highlights that, in terms of economic capacity, these "small low-income economies in transition" are at the same stages of development, if not lower, as other developing countries and some LDCs, but have much stricter WTO commitments. At the same time, however, they do not yet avail themselves of the needed flexibilities.

II. REASONS OF OUR PROPOSAL

4. Our countries are, in principle, very favourable concerning the clarification and improvement of GATT Articles V, VIII and X. In particular, Article V is important for our trade competitiveness since a significant proportion of our trade depends on efficient transit operations since our countries are landlocked. We do, however, fear, like developing countries, that the commitments resulting from the negotiations might be beyond our implementation capacities.
5. The objective economic indicators clearly show that the level of development of our economies is comparable to low-income developing countries and, in fact, to some LDCs. Furthermore, as already mentioned, our countries are landlocked and face additional difficulties in economy and trade.
6. Our participation in world trade is quite insignificant. According to the available trade statistics, our share in world total exports is 0.008%. All these facts underline that economic growth and stability of our societies are extremely vulnerable to changes in trading conditions.

7. Paragraphs 2, 3, 5 and 6 of Annex D of the General Council's Decision of 1 August 2004 contain comprehensive provisions on S&DT and technical assistance and capacity building for developing and least-developed countries.

8. For our countries, though our level of development is quite low, the WTO Agreements as well as the Doha Ministerial Declaration did not stipulate any specific flexibilities. Therefore, in this Round of negotiations, we could not yet avail ourselves of the flexibilities we need.

III. PROPOSAL

9. In this respect, we request the Negotiating Group on Trade Facilitation to agree that Members which are small low-income economies in transition be also granted special flexibilities with regard to trade facilitation and be provided with an adequate technical assistance and capacity building in accordance with paragraphs 2, 3, 5 and 6 of Annex D of the General Council's Decision of 1 August 2004.
