

Technical Session 2:

Preferential Market Access, Intellectual Property Rights, and other ISMs

A. Background

Bangladesh, Nepal, and Lao PDR are currently entitled to a variety of international support measures (ISMs) as LDCs, which can be divided into three categories: (i) trade; (ii) financial and technical assistance; and (iii) support for participation in international forums.

Special measures connected to international trade for LDCs fall into five categories: (a) preferential market access for goods, (b) preferential treatment for services and service suppliers, (c) Special & Differential Treatment (S&DT) under the World Trade Organization (WTO) rules, (d) special treatment regarding obligations and flexibilities under regional agreements, and (e) trade-related technical assistance and capacity-building. For LDCs, various preferential market access facilities are available, including (i) duty-free and quota-free (DFQF) market access for LDCs provided by most developed and key developing country trading partners, and (ii) Special market access facilities for LDC members in various RTAs (Regional Trade Agreements) such as SAFTA, APTA, and others.

After graduation and possible transition periods, the countries will no longer be entitled to enjoy LDC-specific special benefits from the international community or system. Bangladesh, Nepal, and Lao PDR may experience varying degrees of reduction of their gross export revenue due to the loss of LDC-specific market access preferences, depending on alternative market access schemes and the development of their export capacity.¹

With graduation, countries will also no longer be eligible for LDC-specific special and differential treatment under WTO agreements, including current waivers on certain obligations under the Trade-Related Intellectual Property Rights (TRIPS) waiver. The practical implications of no longer having access to the LDC-specific provisions on intellectual property rights will vary significantly between countries and remain an issue to be explored.

Moreover, after graduation from LDC status in 2026, the export-based sectors will have to embrace the growing challenges of the fourth industrial revolution (4IR) to be competitive in the international market. Therefore, unskilled, and low paid labours including women and marginalized groups are at risk of not only losing their existing sources of income but also facing the ‘future of work’ situation because they may not be able to afford to learn the skills necessary for new jobs and business. Graduating LDCs should initiate the necessary capacity development plans to cope both with the growing challenges of the fourth industrial revolution and with possible challenges arising from the loss of LDC-specific market access preferences. Initiatives should be taken to increase competitiveness of the domestic production sectors. Mobilizing international support to strengthen and finance capacity development plans is also crucial.

Developed countries and international leading platforms have reaffirmed on several occasions their commitment of supporting the graduating journey of LDCs, stating that the overarching goal was to assist LDCs in overcoming structural barriers to poverty eradication, achieving internationally agreed development goals, and effectively graduating from LDC category.

¹ See https://www.wto.org/english/res_e/booksp_e/trade_impacts_of_ldc_graduation_insights.pdf

In this context, graduating LDCs should come up with a time-bound and action-oriented plan or strategy for market access including preferential market access and trade agreements under their national Smooth Transition Strategy (STS). Along with this, initiatives need to be taken to extend the TRIPS waiver and Patent licensing for public health-related goods.

B. Objective

This session will address the questions of how graduating LDCs could respond to the existing and upcoming trade related challenges. It will not only focus on promoting strong and sustainable long-term trade growth but also emphasize the benefits of such trade strategies to effectively reduce poverty and improve the standard of living for all graduating countries.

C. Guiding Objectives

During the session, the Chair and participants will brainstorm and come up with ideas in response to the following questions:

1. What role could free trade agreements (FTAs), regional trade agreements (RTAs) and Generalised Scheme of Preferences (GSP) schemes play in a post-graduation trade policy landscape?
2. Have the graduating LDCs assessed impact of losing different market access provisions? What policy measures needed to overcome the negative impact?
3. What can the graduating LDCs do to reach various trade agreements that are deemed beneficial?
4. What capacities including the Government expertise and standards/structures are needed to ensure such arrangements contribute to a sustainable graduation?
5. What would be the key impacts of losing TRIPS? What measures need to be taken by graduating LDCs to offset the loss of the TRIPS waiver and patent licensing for public health-related goods?
6. What preferences can graduating LDCs negotiate from global economic/political alliances – EU, BRICS, G20? What is already in place, what additional steps have already been taken and what additional actions are needed?

D. Format

The session will start with the keynote presentation from an expert (government official from a peer country, possibly Vietnam) who will share the country's experience and valuable lessons relevant for Bangladesh, Lao PDR, and Nepal. It will be followed by a moderated discussion, group work and report back to plenary and open discussion and conclude with the Chair summarising the key findings from the session and messages to be included in the outcome/advocacy document.

E. Session Outline and Time Allocated: 1400 – 1600 (120 min)

Time	Description	Resource person(s)
5 minutes	Brief Opening remarks to set the scene: Outline session objectives, format and expected outcomes.	Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh
30 minutes	Moderated discussion by Chair. Experts on the topic will discuss how important trade access and TRIPs has been for the three countries, and what steps could be taken to mitigate potential shocks to trade. The experts will reflect on practical examples of measures that can be taken to allow for a smooth transition from LDC status and how these measures can be included in a Smooth Transition Strategy. This includes diversification of production and bilateral, regional and WTO mechanisms and cross-country examples	Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh 1. Mr. Tran Toan Thang, PhD, Director, Dept. of Industrial Forecast and Enterprise Development (DIFED), Ministry of Planning and Investment, Government of Vietnam 2. Dr. Debapriya Bhattacharya, Member, UN Committee for Development Policy 3. Mr. Alexey Kravchenko, Economic Affairs Officer, UNESCAP
20 minutes	Keynote presentation: Vietnam’s experience of their forward leaning policy on FDI will be shared, with a focus on FDI as relates to exports. Vietnam’s openness, institutional reform, and commitment to FDI will also be discussed	Mr. Tran Toan Thang, PhD, Director, Dept. of Industrial Forecast and Enterprise Development (DIFED), Ministry of Planning and Investment, Government of Vietnam
30 minutes	Group work: Each group will be asked to reflect on three questions with regard to their country context: 1. What preferences can graduating LDCs negotiate from global economic/political alliances – EU, BRICS, G20? 2. What role could FTAs, RTAs and GSP schemes play in a post-graduation trade policy landscape? 3. What measures need to be taken by graduating LDCs to offset the loss of the TRIPS waiver and patent licensing for public health-related goods?	3 Groups

30 minutes	Presentation and open discussion: Each group will present (3-5 minutes) followed by feedback, questions, and suggestions from the floor and responses.	3 Groups
5 minutes	Closing: Highlight key messages and agree on common advocacy/action points	Chair: Ms. Gwyn Lewis, UN Resident Coordinator, Bangladesh