



Statement by His Excellency Archbishop Silvano Tomasi, Permanent Observer of the Holy See to the United Nations and Other International Organizations in Geneva at the Trade Related Intellectual Property Rights (TRIPs) Council at the World Trade Organization
Geneva, 11 June 2013

Mr. President,

I join previous speakers to congratulate you on your election and for the positive outcome just reached on the extension until July 1, 2021, of the Transitional period under article 66.1 of the TRIPs Agreement. The Observer Delegation of the Holy See to the World Trade Organization (WTO) appreciates the humanitarian and ethical dimensions taken into account in these negotiations.

The Least Developed Countries represent the poorest and weakest segment of the international community. They are populated by more than 880 million people (approximately 12 per cent of world population), but account for less than 2 percent of world GDP and approximately 1 percent of global trade in goods¹. The low level of socio-economic development in such countries is characterized by weak level of technical expertise and of institutional capacity, low and unequally distributed income and scarcity of domestic financial resources. In past years, the development paradigm implemented in these LDCs has proven ineffective. Since the early 2000s, the continued growth in many LDCs (7% per year between 2002 and 2007) has not translated into an improved quality of life for the people. The number of very poor people actually has increased (more than 3 million per year from 2002 to 2007). In 2007, 59% of the population in African LDCs was living on less than USD 1.25 per day.

LDCs continue to be characterized by multiple structural constraints that include low per capita income, low level of human development and extreme vulnerabilities to external shocks. LDCs are home to more than 50 per cent of the one billion people who live in extreme poverty. According the 2012 UNCTAD report on LDCs, these countries should prepare for a relatively prolonged period of uncertainty, with possible escalation of financial tensions and real economic downturn². As underlined in the Istanbul Program of Action, Least Developed Countries are most “off-track” in the achievement of the internationally agreed development goals. Their productive capacity is limited,

¹http://www.unaids.org/en/media/unaids/contentassets/documents/unaidspublication/2013/IC2474_TRIPs-transition-period-extensions_en.pdf (last consultation 6 June 2013).

² http://unctad.org/en/PublicationsLibrary/lcd2012overview_en.pdf

and they have severe infrastructure deficits³. In 2011, of the 34 million people living with HIV worldwide, some 9.7 million, lived in LDCs. Of these, 4.6 million were in need of antiretroviral treatment; however only 2.5 million were receiving it⁴.

Up to one-half of those deprived of treatment were expected to die within 24 months⁵. In the 49 countries designated as LDCs by the United Nations, non-communicable disease burdens are rising much faster than in higher income countries.

The flexibility agreed in TRIPS Article 66.1 was accepted in recognition of the economic, financial, and administrative constraints preventing LDCs from immediate observance of all the obligations set out in the TRIPS Agreement. This was an acknowledgement that LDCs have special needs and requirements, including the need for flexibility to create a viable technological base. Besides, the 2005 extension experience shows the impossibility to predict when LDCs will be classified as developing countries. The extension of the transition period under article 66.1 to July 1, 2021, is in line with the overarching goal of the Istanbul Programme of Action (IPoA). The latter plans “to overcome the structural challenges faced by least developed countries in order to eradicate poverty, achieve internationally agreed development goals and *enable graduation from the least developed country category*”⁶. This goal is expected to be achieved through national policy actions and international support. Graduation from the category of least developed countries (LDCs) has always been among the ultimate objectives of the previous three decennial Programmes of Action for LDCs. However, the IPoA was the first to include a clearly articulated, time-bound and concrete objective of enabling LDCs to meet the criteria for graduation⁷. The Program set the highly ambitious target that half of the LDCs should be able to meet graduation criteria by the end of the decade.

Mr. President,

A well-designed intellectual property system must balance the private rights of inventors with the public needs of society. International intellectual property rules reflect this premise: the stated Objectives of TRIPS include the assertion that “...the protection and enforcement of intellectual property rights should contribute to the promotion of technological innovation and to the transfer and dissemination of technology, to the mutual advantage of producers and users of technological

³ Istanbul Plan of Action (par.4) doc. A/CONF.219/3. <http://ldc4istanbul.org/uploads/IPoA.pdf>

⁴ TRIPS transition period extensions for least-developed countries, UNDP and UNAIDS Issues Brief, /13, February 2013.

⁵ Mr. Michel Sidibé, UNAIDS Executive Director, Report to 31st UNAIDS Programme Coordinating Board, December 2012,

http://www.unaids.org/en/media/unaids/contentassets/documents/speech/2012/12/20121211_SP_EXD_31st_PCB.pdf

⁶ Istanbul Plan of Action (par.27) doc. A/CONF.219/3. <http://ldc4istanbul.org/uploads/IPoA.pdf>

⁷ Graduation from the list of LDCs is based on a systematic review and assessment of socioeconomic progress of least developed countries based on three criteria: per capita income and two composite indices (Human Asset Index and Economic Vulnerability Index).

knowledge and in a manner conducive to social and economic welfare, and to a balance of rights and obligations”⁸.

The Delegation of the Holy See urges all Member States, therefore, to bear in mind that the main goal of the international community in developing a fair regime of intellectual property rights should aim toward the good of all and the pursuit of more equitable international relations, especially with regard to poorer and more vulnerable people. This goal reminds us of the Pope’s words: “...in the context of immaterial or cultural causes of development and underdevelopment, we find these same patterns of responsibility reproduced. On the part of rich countries there is excessive zeal for protecting knowledge through an unduly rigid assertion of the right to intellectual property, especially in the field of health care. At the same time, in some poor countries, cultural models and social norms of behaviour persist which hinder the process of development.”⁹

In conclusion, Mr. President, the consensus reached on the proposal of extension represents an important sign by the World Trade Organization, especially in anticipation of the next Ministerial Conference in Bali. The Holy See Delegation hopes that a sense of common responsibility, as shown in the decision adopted, will bring us all to support such extension as an accelerated step toward the human and economic progress of least developed countries.

Thank you, Mr. President.

⁸ Article 7 TRIPs Agreement.

⁹ Pope Benedict XVI, Encyclical Letter *Caritas in veritate*, n.22