



Presentation by His Excellency Archbishop Silvano Tomasi, Permanent Observer of the Holy See to the United Nations and Other International Organizations in Geneva at the World Trade Organization's Trade-Related Intellectual Property Rights Council
Geneva, 6 November 2015

Mr. President,

Let me start by thanking all the Members of the TRIPs Council for this decision and their constructive engagement. The classification of LDCs is contingent on a number of key human development indicators including levels of poverty, literacy, infant mortality and economic vulnerability. There are currently 48 countries that meet these criteria. 34 of these countries are Members of the WTO and only four countries have graduated out of this category¹.

LDCs are the world's most disadvantaged countries with the weakest technological capacity. With the recovery of the global economy remaining sluggish and uneven, the LDCs have continued to face a challenging external environment during the last biennium. Slow global economic growth, which translated into weaker international demand for commodities and a consequent decline in their prices, adversely affected the economic growth and export performance of several LDCs. Inflows of foreign direct investment (FDI) reached a record high and remittance inflows continued unabated, but official development assistance (ODA) started to show signs of stagnation. In 2013, the current account and merchandise trade balance of the LDCs as a group was weaker. The current account deficit in these countries continued to increase, reaching a historic peak of \$40 billion in 2013, and their merchandise trade deficit also widened, escalating by 29 per cent to \$21.1 billion. According to the 2014 market access study undertaken by the WTO, the share in world merchandise trade by LDCs, during 2013, was 1.24%, with a staggering deficit of US\$60.6 billion. LDCs now find themselves at a critical stage of development, and their socio-economic challenges are massive.

Access to affordable pharmaceutical products is a prerequisite for LDCs to deal with the numerous public health challenges that they face. LDCs are home to some of the world's most vulnerable people and bear considerable health burdens. They face growing burdens of neglected, infectious, and chronic non-communicable diseases. UNAIDS reported in its 2015 Gap Report that three out of five people living with HIV, and in need of antiretroviral therapy, still do not have access to such life-saving and life-prolonging medicines. Many of these people live in LDCs, and their numbers will increase dramatically if such countries are deprived of the price flexibilities from which they previously have benefited. Our

¹ Botswana in 1994; Cape Verde, in 2007; Maldives in 2011 and Samoa in 2014.

engagement and our work should continue to be inspired by Paragraph 7 of the Doha Declaration on the TRIPS Agreement and Public Health in recognition of the gravity of the public health problems afflicting LDCs and their acknowledged right to maximum flexibility to take steps to ensure access to medicines for all. They disproportionately suffer health risks associated with poverty such as malnutrition, unsafe water and poor sanitation.

In his recent address to the Congress of the United States of America, Pope Francis appealed, "I know that you share my conviction that much more still needs to be done, and that in times of crisis and economic hardship a spirit of global solidarity must not be lost. At the same time, I would encourage you to keep in mind all those people around us who are trapped in a cycle of poverty. They too need to be given hope. The fight against poverty and hunger must be fought constantly and, on many fronts, especially in its causes." The extension of the transition period, therefore, is critical to enable LDCs to be able to import affordable generic medicines as well as to strengthen local production capacity.

As already stated by my Delegation, a time-limited transition period creates an uncertain environment for the producers of affordable medicines, procurement agencies, and donors, as well as for LDC governments, all of which rely on the specific pharmaceutical transition period to produce and import affordable medicines. This, in turn, jeopardizes the health situation of the people and communities within LDCs, and results in especially adverse consequences for the scaling up of HIV treatment. However, the decision that the obligations of LDC Members - under paragraph 8 and 9 of Article 70 - shall be waived with respect to pharmaceutical products until 1 January 2033, represent a significant step forward.

In conclusion,

With deep interest in addressing these pressing public health needs, securing the ability to progressively realize the right to health, and ensuring continuous access to more affordable medicines of assured quality, the Delegation of the Holy See hopes that 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 Nairobi. The Holy See Delegation remains confident that a sense of common responsibility, as shown in the decision adopted, will bring us all to support such an extension as an accelerated step toward the human and economic progress of LDCs.

Thank you, Mr. President.