

MONT BLANC TRADE NEWS

WTO MC13 SPECIAL EDITION

IN NEED OF EQUITY

H.E. Mrs Lillian Bwalya, Permanent Secretary – Trade; Ministry of Commerce, Trade and Industry, Zambia

What are the three most important issues for your country to be addressed at MC13?

The 13th WTO Ministerial Conference presents an opportunity for all Members of the WTO to participate in discourse over the current and future situation of the multilateral trading system.

Zambia as a least developed country (LDC) Member of the WTO is particularly concerned with development outcomes that will bridge the gap between developed and least developed Members of the WTO.

Although the WTO legal texts provide for certain flexibilities for developing and LDC Members, tangible evidence of the benefits of the flexibilities is yet to be seen. The gap between Members remains wide, therefore outcomes from the 13th WTO Ministerial Conference will need to be development oriented to bridge the divide.

The three most important issues for Zambia include:

- Inclusion and strengthening of the development aspects in the outcome document in line with the Marrakesh Agreement and paragraph 44 of the Doha Ministerial Declaration adopted in 2001.
- Incorporation of LDC graduation issues; and
- Revising and strengthening the Aid for Trade (A4T) framework including sustenance of the Enhanced Integrated Framework (EIF) programme.

It is expected that by addressing the issues raised by LDCs like Zambia, the multilateral trading system will be seen to be more equitable and development oriented.

Do you think outcomes will be achieved on these issues at MC13?

Zambia is optimistic that MC13 presents yet another opportunity for countries to move above their differences and discuss issues

pragmatically based on mutual interest. Despite a gloomy past, there are dotted moments when the MC has risen to the occasion and made decisions on critical matters. Replicating such a positive gesture at MC13 is critical.

A number of like-minded countries, like those in the LDC and African groups, share the same interests/positions as Zambia, and this makes it possible to achieve some outcomes through concerted efforts.

Discussions over the concerns raised by the LDC and African groups at the WTO have been presented over time and hence, we are optimistic that there will be some agreement on them.

Despite a gloomy past, there are dotted moments when the MC has risen to the occasion and made decisions on critical matters.

What will be the main challenges to have a successful MC13 outcome?

It is expected that an outcome that favors all Members of the WTO is unlikely due to the different interests and priorities. The biggest challenge may be a lack of compromise and consensus on key issues due to the diversity of interest.

Therefore, key to remedying this challenge is consensus building and consultation among all Members to ensure inclusivity and equity in the negotiation process.

Was the process to prepare for MC13 inclusive from the perspective of your country?

Yes. Preparation of key policy documents and positions in Zambia for use during key meetings like the MC13 follows an inclusive

approach.

This involved undertaking consultations with key stakeholders, both state and non-state actors, with a view to have an

enriched and representative position. This has accorded an opportunity to stakeholders to express their views and priorities for the multilateral trading system.

Further, the Zambian delegation in Geneva has been actively involved in the discussions in consultation with capital based officials within the entire spectrum of government. All draft documents have been shared with capital based officials for inputs and comments before officially presenting them to the WTO.

What will be the impact on the multilateral trading system/your country if MC13 fails?

If MC13 fails, it will imply that the prospects of the WTO remaining relevant in the global economic landscape will continue to diminish and this will negate any meaningful chances of delivering on some of its mandates going forward. This may further erode the public trust in and authority of the WTO.

Therefore, concentration should go towards ensuring that negotiations are used for purposes of modernising the rules. Secondly, the dispute settlement system, which has de facto reverted to the days of the GATT where panel reports could be blocked, should be restored. Thirdly, there is also need to restore the level of efficacy in the monitoring of trade policies.

#01 | 2024

Editorial

A call for courage for unequivocal support of multilateralism **p2**

The Memory Bowl

Remembering the past can provide explanations of the present **p2**

We need food security

An interview with the Ambassador of Pakistan **p3**

Reform Mandate: top priority

An Interview with the Ambassador of Australia **p4**



EDITORIAL

by Yvonne Bartmann and Rashid S. Kaukab

The WTO Ministerial Conference returns to the region after almost 23 years. It will be held from 26 until 29 February 2024 in Abu Dhabi, UAE.

The last time the ministers met in the region was in 2001 in Doha, Qatar. That momentous conference took place under the shadow of 9/11 and managed to adopt an ambitious and balanced negotiating agenda dubbed as Doha Round which recognised that the interests and concerns of developing countries are at the centre of the WTO. It was an unequivocal affirmation to multilateralism in the face of a divided world.

While the message from Doha was one of faith in the WTO, the subsequent stalemates in the Doha Round prompted many to call in question the continued relevance of the WTO in a fast-changing world. Indeed, the WTO has had a bumpy ride through the last couple of decades, alternating between some successes and several failures.

MC13 will take place at a critical time in international relations. The world is beset with challenges and crises – climate change, war in Ukraine, war in Gaza, continuing hangover of COVID19, growing calls for protectionism, rising poverty, and geo-politics – to name some. Coordinated international responses have been few with many countries preferring a me-first approach. The multilateral trading system, represented by the WTO particularly, has been on the retreat with its crown jewel, the binding dispute settlement system, disabled and the Doha Round of negotiations all dead except in name. WTO Members remain far apart on a number of issues. While developing and least developed countries complain of lack of progress on issues of key interest to them like agriculture and special and differential treatment, developed countries point out the need to deal with the issues of 21st century like e-commerce.

However, MC13 will have the chance to build on the achievements of MC12 that was held in Geneva in June 2022 and adopted some important decisions, including on response to COVID19, food security, and a partial agreement to discipline harmful fisheries subsidies. That outcome showed that the WTO Members have the capacity to shape their common future that takes into account development, environment, and social imperatives of its members.

The curtain lifts on the Ministerial Conference in Abu Dhabi. Will it continue the path of Doha in 2001? Will Member States find the strength and courage for unequivocal support of multilateralism in an ever more divided world? We very much hope so.

THE MEMORY BOWL

In this section, we take you back to previous WTO Ministerial Conferences. Like Dumbledore's "Pensieve" in the famous books about Harry Potter, remembering the past can provide explanations of the present.

Blow to world economy as trade talks collapse

September 2003 | Larry Elliott, Charlotte Denny and David Munk in Cancun | *The Guardian, UK*

The fragile global economy received a damaging blow last night when trade talks in Cancun collapsed after a walkout by African countries protesting at the West's failure to open its markets to the poor.

In scenes reminiscent of the World Trade Organization's disastrous Seattle meeting four years ago, a day of acrimonious wrangling ended as the chairman, the Mexican foreign secretary, Luis Ernesto Derbez, was unable to get talks restarted after African countries lost patience and left the negotiating table.

The breakdown came despite a last-minute concession from the European Union over its previous insistence that poor countries should pay for a better deal on agriculture by agreeing to new global deal on foreign investment.

The Kenyan delegate, George Oduor, came out of the closed meeting saying: „It means that the conference is ended now.“

Opening of the 8th MC in Geneva

December 2011 | Director-General Pascal Lamy

The year 2011 will be remembered for its turbulence and instability. (...) Exiting the crisis will be easier if it is done in the spirit of global co-operation. Going-it-alone will make it more painful and longer. (...)

But, so far, you have failed in your endeavours to amend the WTO rule-book to make global trade fairer and more open. The Doha Development Round is at an impasse. At the same time the number of bilateral and pluri-

lateral trade agreements keep rising, demonstrating that the benefits of trade opening are not in question. How do we explain this paradox? (...)

Be that as it may, it is time Members of the WTO face up to the reality of this growing contradiction. We can no longer bury our head in the sand. (...)

My call today is for all of us to stand up for the values of multilateralism. For major players to exercise leadership and to muster political courage to act together (...). To place the interests and needs of developing countries and, in particular, those of the poorest, at its heart. And to start thinking seriously about the dire consequences of not doing so in the midst of a worsening crisis.



World Trade Organization negotiators burn the midnight oil

December 2015 | Joseph Olanyo | *The Observer, Uganda*

NAIROBI, As the World Trade Organization (WTO) trade negotiators burn the midnight oil with the hope of striking a landmark deal in the ongoing Ministerial Conference in Nairobi, there are indications that least developed countries (LDCs) and developing countries will be the biggest losers if developments over the last four days are anything to go by. All indicators are that the agenda, which the poor nations of the world have been pushing in WTO, could be frustrated in Nairobi as rich nations maintain their stand in global trade. It has also emerged that LDCs and DCs are attending the meeting from a position of weakness because, in spite of their pronouncements, texts that have been prepared for agreements in the Nairobi Ministerial are skewed against their interests.

WE NEED FOOD SECURITY

H.E. Mr Ali Sarfraz Hussain, Ambassador and Permanent Representative of the Islamic Republic of Pakistan to the WTO

What are the three most important issues for your country to be addressed at MC13?

1. Food security: Almost 12 million people in Pakistan are estimated to face crisis or worse levels of acute food insecurity because of high food inflation reaching almost 48% in May 2023. Members need to work together to address the challenge of access to affordable food while building the resilience and sufficiency of food production capacity of developing countries.
2. End to e-commerce moratorium: We need policy space for building digital economy and raise revenues through an end to moratorium on duties on electronic transmissions.
3. Access to technology: Technology is essential for economic development and addressing environmental challenges. It is, however, expensive. WTO Members need to work together to make technology affordable and available through IP reform, open-source technologies, subsidies for technology transfer among other tools.

Do you think outcomes will be achieved on these issues at MC13?

We remain hopeful and optimistic that the multilateral trading system can significantly contribute to addressing the global challenges. We are also aware of the downsides of unilateralism for the developing countries and LDCs. Even though concrete outcomes at MC13 on issues that I talked about earlier will be challenging to resolve, but it is not impossible.

This organisation has a strong track record of achieving goals especially at WTO Ministerial Conferences even when things do not look too bright before the conference starts. We are sure that Members are even more determined this time around given the current global context.

What will be the main challenges to have a successful MC13 outcome?

1. 2024 is the year of elections in multiple countries, including Pakistan. This creates uncertainty about the position of incoming governments and hence affects the spirit of compromise at the WTO.



2. The global competition in trade and economy, income inequalities, and crises has led to suspicion and mistrust of globalisation. One of the victims is the multilateral trading system which is viewed as a manifestation of globalisation. The increased focus on bilateralism and protectionism is the biggest challenge to a successful outcome of MC13.

3. The failure of other multilateral institutions in addressing the challenges within their remit such as high level of indebtedness has also impacted trust in WTO's ability to address global challenges.

Was the process to prepare for MC13 inclusive from the perspective of your country?

Most developing countries particularly those with smaller delegation sizes have always found it hard to cope with the pace and spread of work in the WTO. These members have always expressed concerns about the inclusivity of the process to prepare not only for MC13 specifically but for all meetings in general. Many steps have been taken by the membership through the reform by doing process to bridge the gaps and make the organisation truly inclusive, open, and transparent. We feel that the Members have tried to make the preparatory process transparent, but there are still challenges and there is still room for improvement. The use of Green Room processes continued giving rise to the view that countries with a large share of the trade often dominate the WTO's decision-making processes.

This organisation has a strong track record of achieving goals especially at WTO Ministerial Conferences even when things do not look too bright before the conference starts.

What will be the impact on the multilateral trading system/your country if MC13 fails?

A failure at MC13 will have a significant impact not only for developing countries like Pakistan that rely on the multilateral trading system but on the pace of global economic recovery as 56% of the low-income countries are in debt distress or at a high risk of debt distress. It may further erode the trust in multilateralism, and legitimacy and authority of the WTO which could lead to increased protectionism and unilateralism. This undoubtedly will result in rise of trade tensions that could lead to a more fragmented and unstable global trading system.



REFORM MANDATE: TOP PRIORITY

H.E. James Baxter, Ambassador and Permanent Representative of Australia to the WTO.



What are the three most important issues for your country to be addressed at MC13?

Australia was one of the first Members to call for MC13

to be the first genuine reform Ministerial

Conference. We need to improve the WTO's ability to support Members in responding to emerging global challenges. We are pleased Ministers will have the opportunity to engage with their counterparts on trade and inclusion and trade and sustainable development in Abu Dhabi. And we want to see discussions continue in Geneva after MC13, to help Members better understand how trade can contribute to some of our most pressing domestic priorities.

Fixing the WTO dispute settlement system is a top reform priority for Australia. While we know a full outcome won't be delivered in Abu Dhabi, we want MC13 to show how far we have come and send a strong signal a solution is within reach. For many Members, especially small- and medium-sized economies, the WTO's dispute settlement system is the only effective tool to deter and discipline breaches of trade rules.

We want to level the playing field in agriculture by reducing distortionary agricultural support and protection.

On agriculture, we want a MC13 outcome that paves the way for the comprehensive reform of agricultural trade rules, a priority for the vast majority of WTO Members. Australia wants to level the playing field in agriculture by reducing distortionary agricultural support and protection. This will also help to

address rising food insecurity globally – by keeping markets open, not distorting trade, and not adopting policies that undermine the food security of others.

Other key priorities for Australia are renewing the e-commerce moratorium, striving to conclude the 'Fish 2' package, celebrating the accession achievements of Timor-Leste and Comoros, and delivering a credible development package for the most vulnerable WTO Members.

Do you think outcomes will be achieved on these issues at MC13?

We are confident we have a successful MC13 in our sights. Australia will continue to advocate for strong reform outcomes that bolster the WTO, and position it to continue providing the predictability and stability required to help deliver opportunities for our businesses, consumers, and broader communities.

What will be the main challenges to have a successful MC13 outcome?

The WTO is a consensus-based organisation, and reaching agreement across 164 Members is never easy. However, time and time again, our experience has shown that delivering a balanced outcome, engaging the interests of all Members, is the key to success.

Was the process to prepare for MC13 inclusive from the perspective of your country?

Organising a Ministerial Conference is an enormous task, and we commend the leadership of His Excellency Dr Thani bin Ahmed Al Zeyoudi as MC13 Conference Chair. Together with the WTO Director-General, Dr Ngozi Okonjo-Iweala, Minister Al Zeyoudi has overseen an open, inclusive process in Geneva to prepare us all for the Conference, and we expect that to continue in Abu Dhabi.

What will be the impact on the multilateral trading system/your country if MC13 fails?

That's an interesting question, but I'm going to disagree with your premise. Even before we head to Abu Dhabi, MC13 is already set to deliver positive outcomes, including the accessions of Comoros and Timor-Leste. That these two countries are joining the WTO should act as a reminder to us all of the value the organisation delivers to all Members. MC13's package of development outcomes can reinforce the WTO's contribution to prosperity and improving the lives of people around the globe. And delivering on our reform mandate at MC13 will position the WTO to face key trade-related global challenges in the future. Australia's prosperity has been built on trade, and we have always been a strong supporter of the rules-based trading system – I have no doubt that will continue post-MC13.

WHAT IS THIS?

Are you wondering what kind of newspaper are you reading? Don't worry, we'll give you the answer. Back in 2022, the Friedrich-Ebert-Stiftung invited twice trade and trade-plus experts to Chamonix, located at the foot of the Mont Blanc, to delineate future paths of the international trading architecture. These scenarios were launched at the WTO Public Forum 2022 and presented in a newspaper style called "[The Mont Blanc Trade News](#)".

For this edition, we've stuck to the name; not because we did not find a better one. But, because to us it is a continuation of an unusual reporting for/about major WTO events. You will be able to read three issues of the "WTO MC13 Special Edition"; this one, a second one to be published during the Conference (hopefully) and a third one a few weeks after MC13. The first presents the context and some expectations before the official start of the MC, the second, some views on the process and progress during the MC, and the third, some takeaways and reflections on the MC outcome. We want you to read from countries and stakeholders themselves, some of who might for some reasons sometimes be overlooked and overheard during such major events.

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