

MONT BLANC TRADE NEWS

WTO MC13 SPECIAL EDITION

ADDRESS DEVELOP- MENT

#03 | 2024

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

Did MC13 achieve outcomes on the three issues of key importance to your country? Why or why not?

Prior MC13, the three most important issues for Zambia included:

- 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 least developed country (LDC) graduation issues; and
- Revising and strengthening the Aid for Trade (A4T) framework including sustenance of the Enhanced Integrated Framework (EIF) programme.

Therefore, Zambia welcomes the MC13 Ministerial Decision on WTO smooth transition support measures in favour of graduating LDCs.

Zambia also welcomes the Declaration on Special and Differential Treatment (S&DT) that acknowledges the challenges LDCs face related to SPS and TBT matters and calls for improvements in training, technical assistance, and transparency measures.

During MC13, Zambia and other Member States witnessed support from various Member States contributing to the EIF Interim Facility. This support is crucial for sustaining efforts in empowering LDCs, which continue to face persistent economic vulnerabilities and pressing developmental needs.

What were the reasons for the success (or failure) of MC13?

The key factors which could have necessitated the above-mentioned positive outcomes mainly hinged political economy issues and utilisation of several means of engagement. In sum, the positive outcomes could have been attributed to the following factors.

- 1) Coalitions among like-minded countries in the LDC Group;
- 2) Compromise on other discussions such as e-commerce by countries such as India, South Africa and Indonesia; and,
- 3) Consensus and good will from others of the WTO Membership.

Despite the foregoing, the large majority of issues under the Doha Development Agenda and the WTO reform process remain on the negotiating table.

The WTO needs to address real issues affecting development and competitiveness of LDCs.

Was the process of negotiations during MC13 inclusive from the perspective of your country?

In the lead up to MC13, preparation of key draft outcome documents and decisions had an inclusive approach. The Zambian delegation in Geneva was actively involved in the discussions and shared with capital-based officials for their input on the documents. Further, the planned substantive sessions for negotiations at MC13 were open and each member, time allowing, was given an opportunity to deliberate issues of their interest. However, these being negotiations, some issues required informal consultations to narrow differences among countries that held strong positions.

What is the most important lesson from MC13?

MC13 brought significant lessons. Among the notable ones included the following;

1. With the accessions of Comoros and Timor-Leste, it signifies that economies still want

to join the WTO. The WTO now has 166 members and 22 candidate countries still in the accession queue. None of the current members

have ever expressed a desire to leave. Whatever criticisms there may be on the WTO, governments still believe there is value in membership.

2. MC13 underscored that if members want to accomplish anything, informal and small group consultations are an important fabric to narrowing positions and reaching consensus. Some important lessons were learned in Abu Dhabi about how results from these negotiations might be implemented.

What do you think should be the priority issues for the WTO after MC13 and what will be the challenges to address them?

Save for the progress made on a few issues of interest to LDC and the continuation of the moratorium on e-commerce as well as the remaining plurilateral agreements, time is ripe for us WTO members to immediately commence focused discussions on virtually all major outstanding issues. The discussions should not restrict room for maneuver and crush any inclination to compromise.

As I conclude, let me re-emphasize that the WTO needs to address real issues affecting development and competitiveness of LDCs. This includes leveraging more resources towards Aid for Trade and elimination of trade distorting support especially in sectors such as agriculture.



EDITORIAL

by Yvonne Bartmann and Rashid S. Kaukab

MC13 already seems like a long time ago. Such is the pace of life and the toll of daily work. But it was not a long time ago. Hardly a month has gone by since MC13 in Abu Dhabi, UAE. One can still close one's eyes and vividly remember the expectations and apprehensions, the congregation of thousands of delegates and other stakeholders, gruelling negotiations that continued for almost a full week, the ups and downs of those negotiations, the drama and the flicker of hopes, and the final outcome that felt like a damp squib. Most delegates returned to Geneva and their capitals exhausted and dejected. Many of them tried to put a brave face pointing out the few outcomes that MC13 did manage to achieve. This is laudable and perhaps needed to continue the work in Geneva. But one should also be cognizant of what the MC13 could have achieved in terms of more and better outcomes. That too is needed for a reality check and to learn the right lessons.

On the positive side, pieces are being picked up again in Geneva much quicker than witnessed on past such occasions. Not only the WTO calendar is full of meetings, but the delegates also seem full of energy. While the ruthless postmortem of MC13 outcomes continues, and some naming and shaming is inevitable, the overall atmosphere is not acrimonious. This is definitely something to build upon. Our own major takeaway from MC13 is the spirit of determination by the participants. The DG WTO, the Chair of the Conference and the ministers, all seemed committed to the success of the MC. This was evident in their statements and, even more so, in their sustained engagement in the negotiations. They accepted more than 24-hours extension in the MC and spent sleepless nights and tireless days. All in an effort to find common grounds on some complex issues. They were not willing to walk away without giving it their best shot. True that this determination was not enough in the end. But its existence was a welcome change from some previous ministerials. The same determination should continue in Geneva. Issues may be complex and interests seemingly too divergent. But determination of the Member countries should drive the process forward. They can and should take pride in the facts that the more outcomes did seem within grasp at some points during MC13, that the post-MC fatigue has worn out quickly, and that the overall atmosphere in Geneva is more positive than after some ministerials in the past. Let us all build on that towards better and balanced outcomes for all WTO Members and stakeholders. Spring is in the air.

THE MEMORY BOWL

In this section, we present you articles produced by journalists from least developed countries. Like Dumbledore's "Pensieve" in the famous books about Harry Potter, remembering the past can provide pathways for the future.

Little takeaways from tiresome WTO MC13

March 3, 2024 | Asjadul Kibria | The Financial Express, Bangladesh

Graduating LDCs get little to laugh about, nor even guaranteed continuity of market-access privileges, as prolonged parleys at the WTO ministerial ended with late-night declaration encoding developed-developing divide over trade rules. (...)

As there was no consensus among the developed and leading developing countries on two critical issues, agriculture and fisheries subsidies, no deal was reached thereof either. (...)

The graduating LDCs, including Bangladesh, get three years as an extra time after their graduation to adjust with the WTO rules and provisions regarding the dispute-settlement system. They will also enjoy LDC-specific technical assistance and capacity building provided by the WTO for three years after the graduation.

There is, however, no binding commitment on the continuation of the preferential market access for the graduating LDCs. (...)

"There is virtually no agreement on almost anything," said Auckland University Emeritus Professor Jane Kelsey who attended the conference as a guest of the conference chair. (...)

WTO to facilitate graduation of LDCs

March 4, 2024 | Kamal Dev Bhattarai | The Annapurna Express, Nepal (...)

Nepal is graduating from LDC in 2026. But there are fears that the country's economy will suffer if it loses the preferential treatment

from the international community post-graduation. While major countries have pledged to support the countries who face graduation problems, Nepal still needs to come up with a strategic roadmap.

Speaking with ApEx, Li Chenggang, permanent representative to WTO, said: "With an increasing number of LDCs' meeting the criteria of graduation and 19 out of 35 WTO LDC member of on their path toward graduation, it is imperative than ever to explore pathways as the WTO to facilitate the smooth transition."

He further said China supports the smooth transition of graduated LDCs supporting measures such as extending preferential trade arrangements for market access. "This means, after LDCs graduation, China still provides zero tariff treatment for 98 percent tariff lines of products originating from LDCs for another three years," he added.



LDCs push for update of current rules

March 6, 2024 | Simon Okitela | New Vision, Uganda

As the 13th Ministerial Conference entered day 2 in Abu Dhabi, World Trade Organization (WTO) members all agreed that there is an urgent need to update current global rules on food and agriculture.

However, this plea has continued to face criticism with different member countries stuck on how this should be harmonized to benefit everyone and boost global trade. (...)

Members categorized as developing countries also said that an update to global rules is needed in this area to make agriculture trade fairer, with some of the poorest members emphasising the particular importance of cotton sector reform to them.

The concern however is that some large economies insist that parallel progress is needed to improve access to agricultural markets, with some smaller exporting members disagreeing with this view. (...)

DISPUTE SETTLEMENT REFORM MUST BE THE TOP PRIORITY

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

Did MC13 achieve outcomes on the three issues of key importance to your country? Why or why not?

MC13 made important progress on WTO reform. This included a commitment by Ministers to continue discussions to reform and restore the dispute settlement system. This is a top priority for Australia, and critical for ensuring adherence to the rules by all Members.

Ministers looked at how we can reform the Organization's ability to support Members in responding to emerging global challenges. Dedicated 'Ministerial Conversations' allowed Ministers to discuss how the WTO can contribute to sustainable development and inclusive trade. Embedding such deliberations will be an important step towards enhancing understanding of Members' positions on complex and pressing issues, and something we hope Members will take further at future Conferences.

It was positive to see outcomes on development initiatives to support the most vulnerable WTO Members to harvest the benefits of trade. Renewal of the e-commerce moratorium for another two years will provide welcome stability in the digital economy.

We will continue to advocate with others for broad reform to level the playing field for farmers globally, reduce trade-distorting domestic support and address rising food insecurity through open and transparent markets.

What were the reasons for the success (or failure) of MC13?

We came to Abu Dhabi confident Members would agree important outcomes including reforms to make the WTO work better, and a package to promote the gains of trade more widely among developing and least-developed countries.

The accessions of Comoros and Timor-Leste to the WTO helped to set the Conference up for success early. That two small least-developed countries would make WTO Membership a part of their development strategies and growing multilateral engagement is a vote of confidence in the WTO and the benefits it provides all Members.

However, outcomes on some key Australian interests were not achieved at the Conference. We did not see the progress on comprehensive agricultural reform we would have wanted. We will continue to advocate with others for broad reform to level the playing field for farmers globally, reduce trade-distorting domestic support and address rising food insecurity through open and transparent markets. New rules to discipline fisheries subsidies contributing to overcapacity and overfishing remained out of reach, limiting the WTO's ability to contribute to the sustainability of our oceans.

Was the process of negotiations during MC13 inclusive from the perspective of your country?

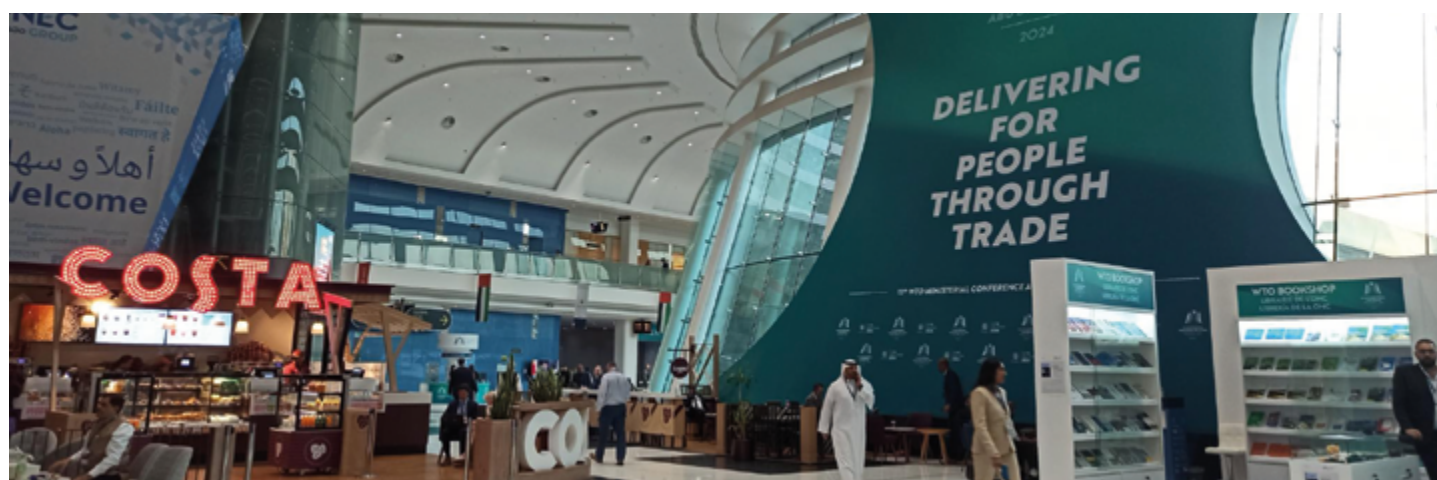
Ministerial Conferences include a vast amount of meetings in different formats, so including all 164 delegations at every stage is a big task. That said, the MC13 Chair together with the WTO Director-General worked assiduously so that Members had an opportunity to participate on issues important to them. It was pleasing to see regular transparency sessions run for the benefit of all delegations.

What is the most important lesson to be learnt from MC13?

The most important lesson from MC13 is that while WTO rule making is under pressure and the dispute settlement system remains constrained, the WTO continues to serve important interests for Members of all sizes and levels of development. Reforming the Organization will be crucial to positioning it to continue to serve those interests effectively in the future.

What do you think should be the priority issues for the WTO after MC13 and what will be the challenges to address them?

The WTO's top priority must be dispute settlement reform. This will involve complex discussions and different perspectives, but it is important that Members build on the work Ministers endorsed at MC13. We must deliver on the undertaking to deliver a fully functioning dispute settlement mechanism accessible to all Members to enforce multilateral trade rules. We are confident the vast majority of Members share Australia's view that this task is an urgent one. On rule-making, Members must work harder to find ways to strengthen rules governing agricultural trade and production, to promote sustainable agricultural policies and food security.





TIME TO BUILD ON MODEST GAINS

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

Did MC13 achieve outcomes on the three issues of key importance to your country? Why or why not?

The three most important issues for Pakistan prior to the 13th Ministerial Conference included a decision on public stock holding (PSH) for food security purposes, end to the moratorium on electronic transactions, and technology transfer. No decision could be reached on PSH because of deep divergence in the position of members primarily because the issue is viewed with a commercial lens focused on exports rather than a food security concern. The moratorium on electronic transactions was extended, but with a clear notice period of two years for termination. It was felt that a clear warning period for businesses will be needed to adjust to the future reality. However, the onus is now on the proponents of the moratorium to drive the progress in the working group on e-commerce. There was an acknowledgement and encouragement of work of the committee on trade and technology transfer in the Ministerial Declaration. Although it did not go as far as we would have liked, but still this recognition by all Members reflects the importance attached to this issue.

What were the reasons for the success (or failure) of MC13?

The challenges of 2024 weighed heavily on the outcomes of MC13. The upcoming elections in major economies, income inequalities, global competition, regional conflicts, and mistrust of globalization are major barriers to global cooperation. Nevertheless, the membership achieved modest success by agreeing on key decisions including addition of two members to the WTO. It was driven by the realisation that the system which is already under strain needs some support to weather the upcoming populist storms. This year will be indeed a profound test for the WTO.

Was the process of negotiations during MC13 inclusive from the perspective of your country?

The negotiation process has been improving. It is true that the smaller delegations have always found themselves at a disadvantage in

fully participating. Nevertheless, this year the process was much more inclusive compared to the last Ministerial. Building on the lessons from MC12, transparency sessions were held to share the discussion of small groups with the wider membership. We were included in the discussions in matters where we held strong positions. Overall, we feel that the inclusivity of the process has improved.

What is the most important lesson to be learnt from MC13?

The most important lesson that we learned from MC13 is that it is important to work in a spirit of trust with the right set of partners focusing on outcomes in the interest of Pakistan.

The most important lesson that we learned from MC13 is that it is important to work in a spirit of trust with the right set of partners focusing on outcomes in the interest of Pakistan.

What do you think should be the priority issues for the WTO after MC13 and what will be the challenges to address them?

The priority issues for WTO right after MC13 have been set in the Ministerial Decisions. However, the immediate focus should be on dispute settlement so that we have a fully and well-functional system available to all the members by 2024. The key challenges to restore the Dispute Settlement Body (DSB) are the same which I have mentioned in a response to a previous question. The risk is that if the membership is unable to restore the DSB, it may fracture the multilateral trading system to dangerous levels, therefore, it is paramount to work on DSB functioning on urgent basis.

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 are able to read three issues of the "WTO MC13 Special Edition"; number one published just before the start of MC13, number two providing views on the process and progress during the MC, and this one published in the aftermath of MC13 with some takeaways and reflections on the 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.

IMPRINT

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March 2024

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