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Trade

NEWS

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Delegates from governments around the world are preparing to meet in Dhaka, Bangladesh this week to finalize negotiations to better integrate the United Nations Framework Convention on Climate Change (UNFCCC) and the Global Organization for Trade (GOT). The talks come in the wake of the two agencies' respective Conferences of the Parties (COPs) on the small island nation of Kiribati, which marked the first time both bodies met in the same city at the same time. As negotiations to formally integrate the UNFCCC and GOT get under way in the Bangladeshi capital, officials have largely struck a tone of cautious optimism, even as they note the highly technical and political nature of the remaining issues. Climate chief Alicia Ríos Fernández, who has helmed the UNFCCC since 2028, welcomed the prospect of handling global challenges jointly with GOT and in a holistic way.

'It's an exciting time for international governance. For too long, we insisted on keeping our silos intact, arguing that the topics were too "technical" or complex to deal with in one place', she said. 'Convincing the trade community that joining forces with the UNFCCC to tackle the climate crisis wouldn't undermine the multilateral trading system, but empower us to use it to achieve environmental, social and economic goals, has been harder than I'd hoped.' Getting the climate community on board was also a challenge. What made a difference with the climate community, she said, were non-governmental organizations advocating for the change, think tanks and universities showing how it could happen, and a negotiating process designed to ensure equitable and inclusive participation. 'It looks like we are now, finally, about to step out of our own way', she said. Ríos' counterparts at GOT were similarly optimistic about the upcoming meetings in Dhaka. They warned, however, that both organizations should learn from the challenges seen in the early days of what was then known as the 'WTO reform' discussions in the early 2020s. These talks were later replaced by the negotiations to form GOT and bring the World Trade Organization and other international and regional bodies working on trade and economic issues under one umbrella.

'Back when trade negotiators agreed in Geneva in 2022 to talk about so-called WTO reform within that body, rather than in sub-groups outside it, it was greeted as a way to prevent the multilateral trading system from sliding further into disrepair', said Alix Marquax, a former

Final Push Begins to Link Up UN Climate Agency and International Trade Body

by Sofia Baliño and Nathalie Bernasconi-Osterwalder

ambassador to the WTO, as well as to the former International Labour Organization (ILO). Marquax has headed GOT since 2030. 'But once we started those WTO reform talks in earnest, we saw too many governments calling for patchwork solutions to the trading system and advocating for their pet interests. That's what made us realize that we weren't aiming too big – we were actually thinking too small,' they said.

major international bodies working on trade came together as one organization, with the World Trade Organization, the United Nations Convention on Trade and Development, and the International Trade Centre now operating under one roof. This new international body on trade was then linked to other agencies whose work had a trade dimension, such as the International Labour Organization and the World Bank,



The famed meeting between Ngabile Omonjo-Iweali and Jacinthe Arderm in Washington in October 2022 helped bring world leaders on board for a new approach. Six years later, negotiators sealed the deal for a new body to coordinate labour rights, environmental protection, trade policy and responsible business conduct. This took place under a two-step approach: first, the three

through a 'hub and spoke' model, to facilitate cooperation between them. GOT also set up a new dispute settlement system able to adjudicate not only on trade but also labour and environmental issues, with the possibility for aggrieved groups to bring environmental and due diligence grievances and initiate compliance processes to discipline transnational enterprises.

Six years was record time given past WTO negotiating rounds, current and former WTO negotiators say. The short time for negotiating GOT was even more improbable as it involved not only the WTO but other international and regional bodies and treaties. 'It was really hard at first. Just think of the language we used in these different international forums: one organization's "multilateral" was another organization's "plurilateral"', said one former negotiator from a small island developing state. 'We didn't know how we were going to make this work without creating more confusion than we were solving.'

Many experts in the wider international law community warned that having a single coordinating body and binding dispute settlement and compliance mechanism might be a nearly impossible task, even as proponents welcomed the idea of finally achieving so-called regime coherence. Governments were also wary of having to then ratify the most wide-ranging international treaty on trade and economic policy they had ever negotiated – especially because this would also mean reorganizing and coordinating negotiating structures within national ministries, as well as handling compliance with potential dispute settlement awards.

What finally got the last holdouts to support GOT, another former WTO negotiator said, was the outcome of an international youth summit in Lagos, Nigeria, in 2027, where participants reminded governments to focus on the future we want, as past sustainable development summits had called for, rather than holding on to old positions. 'It took a lot of convincing to get governments on board with GOT, with some arguing that our approach was right out of Tolkien – "one ring to rule them all"', said Juan Antonio Suárez, an Ecuadorian activist who chaired the international youth summit and preparing to pursue a PhD in literature. 'We had to show that incoming generations believed in what they were doing.'

'What we need this week in Dhaka is more of that creative leadership we saw in the early negotiations for GOT, where we decided not to throw out the old rulebooks entirely, but to focus instead on the vision and work backwards. Not everyone was comfortable with that then, and I'm not sure they will be now', said one delegate from a large emerging economy involved in the talks. 'But we all know by now that it's not about being comfortable; it's about fighting for what really matters, like tackling inequality and revamping multilateralism so we can tackle today's and tomorrow's challenges, even when it hurts.'

The World of Trade this Year – Mont Blanc Trade News Gives an Overview of Trends in 2032

The world of trade is enjoying a bright present. Numerous trends show that the mechanics of international trade and cooperation are working to provide a better future for humanity. *Mont Blanc Trade News* has compiled some of the most important figures and statistics that confirm the positive developments of recent years. A good example of this took place last November at COP 36 in Ahvaz. As many witnessed in Iran, the world is capable of agreeing on am-

bitious climate change response measures. The core of this momentum is built on a radical rethinking of the past decade to reduce CO₂ emissions. These policies have increased food security and enabled stable and equitable economic growth among multilateral and regional trade regimes that protect the environment. A focus on adaptation and mitigation has led to greater resilience in many developing countries, leading in turn to a faster progres-

sion of local production. More localism in production has helped to garner support for governments that put climate change measures front and centre, be it in terms of national or international policies. In addition, developing countries have witnessed a stable GDP growth rate of 7.3 per cent over the past twelve months. This is the fourth year in a row that a target rate above 7 per cent could be realized. Such growth rates are seen

as a result of a global level playing field when it comes to the ambition and scope of climate protection measures and continuous support by industrialized countries, which have committed 500 billion dollars to climate financing in developing countries over the past 12 months. The 6th Global Organization for Trade (GOT) Ministerial Conference (as a follow up to

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EDITORIAL

by Tina Blohm

As for the global economy, it is intertwined. – Kurt Tucholsky

Tucholsky wrote this sentence one hundred years ago. The German writer and intellectual worked and lived in a time of global economic prosperity, in which trade made some people poorer and others richer. It was a time of gambling, wars and uncontrolled capitalism. Today, in the mild summer of 2032, Tucholsky’s statement is as true as it was then. With an important difference: the nature of our intertwining has changed for the better.

Today trade is not booming – but it is slowly ripening to fulfil its original promise: prosperity for all. A few decades ago, the impacts of climate change accelerated dramatically in all parts of the world. We witnessed a plethora of civil wars and wars against sovereign nations. The global financial crisis in 2008/2009 led to major instability and exposed the pitfalls of relentless deregulation. Some WTO members stopped the Doha round. As if this was not enough, the Covid-19 pandemic swept the world in 2020.

Despite these bleak conditions citizens and leaders around the globe managed to turn the ship around. In hindsight, the war in Ukraine, the resulting food crisis and the ever-hotter summers of the early 2020s were a wakeup call that the world could not ignore. We understood that we must look at the future of the international trading architecture holistically, not only from the narrow perspective of trade agreements. At the same time, the core of the international trade architecture needed our attention. We thus managed to reform the trading architecture to truly open it up to civil society and to make it an inclusive regime that contributes to global equality and future sustainability.

As we have witnessed at the 6th Global Organization for Trade (GOT) Ministerial Conference (the successor of the former WTO Ministerial Conferences) in Tarawa, Kiribati, the tide has turned. Trade is seen as promoting prosperity for all, not for a few. The boat has lifted for all, so that we have created more of a level playing field that allows us to protect the environment and enhance the rights of all workers along global value chains. Our multipolar world has become increasingly intertwined. We have learned that this does not mean chaos and vulnerability, but that we can thrive through smaller and more agile trading networks.

Some may say that we have gone too far: entrepreneurship and risk-taking are not rewarded anymore. It is not possible to create wealth in such a taxed and regulated world. I believe we have both: flexibility and rules that create more equality. But it is not the end of our journey. Global warming will remain a fact of life. We must continue to use the global trading regime to mitigate climate risk and reduce inequality. And global wealth is still distributed too unevenly.

But today, just for a few moments in history, we are allowed to pat ourselves on the back. Let us roll up our sleeves tomorrow again. And when we do, let us make sure that trade will continue to support a greener and fairer future for generations to come.

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the WTO Ministerial Conferences) in Kiribati was a strong sign of unity. While WTO MC 3 in 1999 in Seattle will never be forgotten for the massive demonstrations and protest against global trade and the power of multinational companies (MNCs), GOT MC 6 will be remembered for its inclusion of NGOs in the negotiations and the protests of employees of MNCs on the streets against the scourge of capitalism.

Mont Blanc Trade News data on trade flows crossing borders shows that value chains have increasingly become regional to protect the environment. This has strengthened the geographic coverage and breadth of bilateral and regional trade agreements. These agreements function as supporters and building blocks of a multilateral system.

The 2031 World Inequality Report by the World Economic Forum found that global inequality is diminishing. The richest 10 per cent in the global economy now receive 28 per cent of income (52 per cent in 2021), while the poorest half of the global population receive 29 per cent. According to the report, this is due to global climate change response measures, less market concentration, a truly global digital transformation and a wider distribution of geopolitical power around the globe.

The global divide in digital transformation has narrowed significantly, according to OECD. For developing countries, this has directly increased merchandise trade and service trade with the use of modern technologies. OECD reasons that this has been possible partly because multinational cooperations have been given less power in shaping the global economy and trade.

Far-right nationalism is losing its appeal to many voters. Far-right national parties have not gained more than 12 per cent in countries holding an election over the past year. This is in sharp contrast to the global situation 10 to 15 years ago, when the US, India, Brazil, Russia, Israel and Turkey, amongst others, were ruled by nationalist leaders. According to Yvette Burkivic, Professor of Trade at the University of Dar es Salaam, this has played a key role in establishing an international trading architecture that is more sustainable, cohesive and just, resulting in turn in less food insecurity, inequality and power concentration around the globe.

As data by the Kabul International Peace Research Institute show, the number of conflicts between major political actors are also on the decline. While only 10 years ago the world was shaken by the war in Ukraine, this

has functioned as a wakeup call to world leaders to return to a focus on strengthening the multilateral rule-based system. Consequently, economic growth has increased, and all economies (emerging ones in particular) have profited from green growth and the functionality of information technology services.

Thirteen years after the outbreak of COVID-19 and the beginning of a global recession, the risk and severity of global health crises has been reduced. China, the US, the EU and several emerging economies shared international property rights, thus reducing the profits of MNCs for trade in vaccines and protective equipment. The budget of UN Health, the successor of the World Health Organization (WHO), was increased substantially. Due to the generous funding, it was honored as the most agile UN organization in 2032.



How Climate and Trade Justice Came Together: An Interview with One Who Led the Effort

Interview with Waiola Iotia by Rashid Kaukab

Waiola Iotia is founder and president of the NGO ‘Climate and Trade Justice’, a Kiribati-based non-profit organization that has achieved international recognition for its work promoting stakeholder awareness and engagement for just and synergetic climate and trade policies and action. We caught up with Iotia on the sidelines of the 6th Global Organization for Trade (GOT) Ministerial Conference and the 37th meeting of the Conference of the Parties of the United Nations Framework Convention on Climate Change (UNFCCC). Both conferences are being held in parallel in Tarawa, Kiribati.

Q. – This is the first time that both GOT and UNFCCC are holding their meetings in parallel in the same city. How did this happen? What role have you and your NGO played in it?

A. – We are making history right now. This is the first time that the international climate and trade communities are meeting together in the same city, at the same time. And this is happening on Kiribati. My country is one of the worst affected by climate change, our economy depends on fisheries and tourism. It was not easy to put these parallel conferences in place. Many of us have worked for years to bring these communities together. It required tireless and patient lobbying and advocacy to gently but resolutely nudge everyone out of their comfort zones and go beyond narrowly defined interests. It was my NGO that proposed this idea and led this effort. I am immensely proud of that.

Q. – Tell us more about your NGO. When and how did you decide to establish it? What is its mission?

A. – The story of my NGO is the story of my journey as climate activist. When I was younger, I realized that my beloved country was going to disappear from the face of the earth if climate action did not occur. Losing our existence because much bigger countries had damaged the environment and were not willing to mend their ways was something I found deeply unfair and, frankly, unacceptable. I decided to

focus on trade, as I felt, as did many other activists, that the WTO was part of the problem. But then, I heard at an FES event during a climate conference that trade and climate policy could work together, in tandem, and achieve positive outcomes. Never before had I heard about some of the benefits of trade policy for climate action. When I returned home, I met with fishers, tour operators, waiters, taxi drivers, and so many other people whose livelihoods somehow relied on trade. Yet even as they needed trade to succeed, these same people told me that trade rules, as they were designed then, were unjust and were getting in the way of their dreams. The next step was straightforward. I reached out to other activists and workers, both at home and abroad and we set up an NGO called Climate and Trade Justice.

Q. – You established the NGO in the early 2020s, when climate action seemed to be falling short when compared with the Paris Agreement’s goal of limiting average global temperature increases to 1.5 degrees Celsius. The WTO was fighting for its relevance and the world was witnessing the rise of the far right in many countries, opposed to both climate action and trade integration. What changed to make happen what we are witnessing today?

A. – It was nothing short of a miracle. I think the key turning point was when four big countries – two developed and two developing – decided to take unprecedented and bold climate actions, even if others were not yet ready to follow suit. This coordinated action was a game changer. It was supported by civil society, businesses, and cities, and made possible by the scaling-up and adoption of emerging technologies.

Q. – What were the key elements of this coordinated move?

A. – These four countries went beyond words and political declarations. They took action and spent resources in real time: they cut down their carbon emissions much faster while providing substantial new resources to developing countries like mine to face climate shocks



and adapt. The success was spectacular, as it energised climate action and policies around the world and many countries and businesses started following suit.

Q. – What else happened?

A. – The four countries pushed for the same approach in GOT: promoting public good over individual interest, collective action over petty disputes, and an integrated approach over working in silos. Their effort to embed the principle of common but differentiated responsibilities and respective capacities in GOT encouraged the developing countries like mine to join in wholeheartedly. In short: success breeds success. It was then only a matter of time for the trade and climate communities to join hands.

Q. – This has been a fascinating journey. What is the next challenge?

A. – The biggest challenge is to avoid complacency. Any slowing down may stall or even reverse the progress we have made. We must march on, faster and together. I am confident that both the GOT and UNFCCC conferences being held right now will adopt further ambitious and synergetic action plans.

Looking Back with Forward Thinkers

‘It might never have happened’

by Caroline Dommen

As world leaders gathered for the 6th Global Organization for Trade (GOT) Ministerial Conference in Kiribati, trade leaders reflect on the decisions taken during the Great Crisis of 2022. In this week’s ‘Looking Back with Forward Thinkers interview’, Caroline Dommen talks with GOT Coordinator-General Jacinthe Arderm and former World Trade Organization (WTO) Director-General Ngabile Omonjo-Iweali about the factors and the people that enabled the GOT to come into being – and how close we were to it never happening.

Q. – Jacinthe was Prime Minister of New Zealand until becoming first leader of GOT and has received many awards and acclaim for her innovative and brave leadership. Dr Ngabile Omonjo-Iweali has also held many leadership positions at both the national and international levels, including as finance minister for her home country, Managing Director at the World Bank, and Director-General of the former WTO. You were recognized by the Sustainability Post as respectively 1st and 2nd most influential people in the world for four years in a row, starting in 2024. Now, Jacinthe you rank 31st and Ngabile you’re 39th. What a demotion!

JA. – Well, there’s only one way from the top – and that’s down.

NOI. – True! More seriously though, it’s because GOT’s novelty has worn off so we’re in the limelight less often. That shows that GOT’s been effective at doing the job it was set up to do. It’s like good stage management at the theatre: if you don’t notice it, that means it’s working well.

Q. – Let’s briefly recap why your collaboration was so important. This goes back to the crisis in 2022. That year we were living through a war in Ukraine, while China was positioning itself to invade Taiwan. There were food and energy shortages around the world, with prices going up so fast that people in many countries were struggling to make ends meet. We also saw climate change wreaking havoc, with severe weather events taking place all over the world, from rampant flooding to mudslides to heatwave-induced fires to glacier collapses. Amid all that, you both met in Washington, D.C., in October 2022 and hatched a plan to create a new global organization focusing on international cooperation. That organization brought together the main bodies working on trade at the international level and connected it back to other agencies where trade was part of their wider scope of work. The idea was that trade would be a key tool in a wider toolkit of policies to ensure natural regeneration in a world of economic, social, and cultural equality. What was the key factor in bringing us back from the brink – if you can name just one?

JA. – It was such a stormy, worrying time, and it was all hands on deck just managing one new crisis after another. On reflection though, I’m convinced that the pivotal moment that opened the door for all of these other changes was the fuel re-equality tax.

NOI. – I’m not going to lie, for much of 2022 I was focused on trying to fix the WTO’s problems, making concession after concession to the most vocal players, for fear one of them would pull the plug. I think many of us had forgotten that fixing the WTO’s problems was not fixing the world’s problems. In short, we were less focused than Jacinthe was on the bigger picture. And then in the last months of that year, momentous changes came in such quick succession. The emergence of what we now know as the Human Rights, then the Rus-

sian peace and cooperation deal (PCD) just after Putin’s death, the International Monetary Fund’s about-face on public expenditure, and the World Bank’s support for agro-ecology and conservation agriculture. So, among all these sea changes it is hard to pinpoint just one. I would say my meeting Jacinthe on H Street was pretty important. But yes, I agree that the fuel re-equality tax was key.

Q. – Tell us more about why this tax was so important.

JA. – In the decades leading up to the Great Crisis of 2022, increasing taxes on the rich was nearly impossible. No country had managed to get enough money out of progressive taxation to fund a comprehensive system of social or education programmes, such as childcare. Those countries that made the spending effort did so by taxing the middle classes more than the rich. But how can you possibly achieve equality without progressive taxes? Would you believe that in the U.S. in 2018, the top 400 billionaires were actually paying less than most ordinary working families? Progressive taxes, taxing the rich and taxing fossil fuel use like we do now is such a no-brainer, but no one saw it back then because everyone was so afraid of hurting ‘the economy’. The way mainstream economics was conceived of was so narrow, it’s hard to imagine now how anyone could rely on that for making policy decisions.

... what if we had a Global Organization for Trade!

Q. – How did the definition of the economy change? Ngabile, am I right in saying that you had a ringside seat from which to observe this?

NOI. – I did. It was at the 2022 Annual Meetings of the IMF and the World Bank Group, which marked the first time that they were held in person in three years due to the COVID-19 pandemic. I was there on behalf of the WTO. While everyone was standing around in an atmosphere that was part economic policy conference, part class reunion, we got a group of economists, finance ministers, and development ministers to convene inside for some tough conversations. The demand was simple: include net wealth, as well as natural wealth such as biodiversity and air quality and health indicators, in GDP measures, both in the IMF’s World Economic Outlook and in national-level data reported to the Fund. We also urged ministers to include in the International Monetary and Financial Committee’s communique that they would aim to impose absolute limits on economic activities. These limits would be defined by natural regenerative capacity, along with pricing goods and services to reflect their social costs.

JA. – And growth.

NOI. – Oh of course! That idea of ‘economic growth’, they wanted to get rid of that. And by the end of the year, the D.C.-based international financial institutions (IFIs) as well as regional banks, 327 big listed companies, and several countries simultaneously changed the way they calculated their balance sheets. You’ve got to hand it to those economists. My people in the WTO economic research and statistics division too, they’d been doing the groundwork

for years. So, the change that we had thought was impossible was easily implemented.

JA. – Yes, October 2022 was a pivotal moment. And I agree with Ngabile that several factors were interlinked. But I stand by my view that the fuel re-equality tax was the turning point, especially once multiple countries got on board with the idea. This is because it simultaneously forced redistribution of wealth and weaned the world off fossil fuels. And those were both game changers. The high taxes on energy use reduced unnecessary consumption drastically. It’s ridiculous when we think that teenagers could have a cupboard full of five-dollar t-shirts that they would only ever wear once. And the higher price of fossil fuels meant that agriculture could no longer rely on chemical inputs.

Q. – Yes. The fuel re-equality tax had ripple effects in all areas of life. Can you tell us how the phrase ‘We cannot rely on the people who created our inequitable food system to fix it’ fits in?

NOI. – These two points are related. My husband is a medical doctor and he kept on going on at me about that phrase in a Lancet article during the Great Crisis. The article was about the interrelated factors contributing to health inequalities, but it had an optimistic title: ‘From food price crisis to an equitable food system’. And that possibility of an equitable system was on my mind. And then in Washington I found myself stuck in the crowd next to Jacinthe Arderm and we got to talking.

Q. – You mean, you two had never met previously?

JA. – No, we hadn’t. But that’s not the point. The point is that even if we had met formally before, we would only have had a 15-minute highly protocolled discussion, without a real chance to talk about the issues that mattered. Here we were in the crowd, on H Street in D.C., and we ended up talking for hours.

NOI. – Interrupted by a phone call by my husband.

JA. – Yes. My phone’s battery had run down, and I was a bit annoyed that you answered yours.

NOI. – My husband was pleased to hear when I told him that I was having an excellent conversation with Jacinthe Arderm. He said, well, perhaps she’s the person to fix our inequitable food system. I told Jacinda this and then our minds really started whirring. We talked about how it made no sense that health, food, trade, and environment were dealt with by totally separate international bodies that had no formal mechanism to integrate them, even though those issues often overlap in practice, especially when it comes to the role of trade. Putin had just died and with a real reformer devoted to democratic principles finally poised to be elected leader of Russia, there was a real sense of opportunity. And at some point, we both said, at exactly the same time ...

JA. – ... what if we had a Global Organization for Trade!

Q. – What, at the same time?

NOI. – Yes, the exact same words at the exact same time. It was as if it was meant to be! As soon as I could, I instructed my staff to request a formal e-meeting with Jacinthe.

CAN WE TRUST THIS PEACE?

Op-Ed by Tina Nehan, Director of the Kabul Institute for Peace

If we are to find any order in the future, it will need to be, paradoxically, within the relentless diffusion of power rather than in its concentration ... A world with no centre sounds like chaos, yet the most desirable order is one in which everyone connects but nobody controls. – Parag Khanna

Ten years ago, we witnessed the Russian Invasion in Ukraine – a shock to many in Europe. After two years of bloodshed, the UN-orchestrated peace negotiations in 2024 marked the beginning of a new area of multipolarity. This did not automatically translate into global harmony. The multipolar power centres around the globe did not become allies overnight. Yet, eight years ago, a mutual understanding that our global coexistence as we knew it was at stake set the stage for change.

Today, our multipolar world is complex and dynamic. Networks and connections beyond those of states drive the system. While we were afraid of this complexity before, we have now learned to embrace it. The absence of great geopolitical conflicts over the past years has meant that we have entered a new phase of globalization. This feels different from the rules-based trading system we experienced until 2024 during the years that the World Trade Organization was in operation, before the formation of the Global Organization for Trade. Our new openness is not driven by threat or bullying behavior, but builds on a common wish to save the planet and to foster peaceful co-existence among countries around the world.

Smaller states have played a key role in making our multipolar world more sustainably connected. They previously did so post-2003 when they strengthened UN South-South cooperation. Since then, we have progressed to a world where divides between the Global North and South have largely healed, allowing us to focus instead on the needs of our shared planet. The role of regional cooperation has intensified, making continents more integrated and coherent.

This changed dynamic is visible in today’s trading relationships between countries: unlike under the old WTO system, where governments filed disputes frequently and often in response to geopolitical tensions, disputes today are few and far between. And when countries do file them, it is normally with the goal of obtaining valuable clarity from the GOT Appellate Body on facts of law and legal interpretation, rather than with the goal of achieving geopolitical gains or having the GOT employ its enforcement mechanisms.

To stay on this path, we must embrace the plurality of multilateral approaches developed over the past years. At the same time, we must strive for agreements between many actors on a broad agenda. Loose networks will not be enough, we need diverse but strong connections.

As Thomas Greminger, former Secretary General of the Organization for Security and Co-operation in Europe, stressed 15 years ago, ‘Security begins with trust – and trust begins with dialogue’. The time for confrontation in the great game of power relations is over. We have entered a phase of global connectivity that we must continue to strengthen through intense, honest, and meaningful dialogue.

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JA. – And by the time we had that meeting two weeks later, Human Rights Economics approaches were already being fitted into place. And Germany was moving to bring in a new fiscal policy called SBRUV (Steuerpolitik zur Reduzierung von fossilen Brennstoffen, Verbrauch und Ungleichheit), or something along those lines, so the first thing Ngabile and I did was to convene a meeting of all the leaders we could mobilize.

NOI. – And find a better name.

JA. – Yes, the name was key. Within a few days we had New Zealand, Germany, Ukraine, Russia, India, Japan, Indonesia, and the whole of the EU on our side. And eventu-

ally countries from Latin America, the Middle East, and more.

Q. – And that was how the foundations for GOT were laid. This has been such a fascinating conversation. Before we close, can each of you tell us what you find the most striking difference between the Great Crisis and now?

NOI. – I just cannot believe that every year until 2023 we had separate meetings, in separate locations, of all those different processes: COPs for environmental treaties, occasional WTO Ministerials, the IFI Annual Meetings. As if those issues could be dealt with separately. We’ve done a lot to fix that when it comes to trade policy coordination, namely with the creation of GOT and the linkages with these other bodies’ respective

trade policy units in a ‘hub and spoke’ model. Next, we’ll see closer integration of the trade and climate policy communities: this year the GOT and the UN Framework Convention on Climate Change (UNFCCC) meetings are being held in the same location for the very first time. As of next year, they will be integrated more closely, and I’m excited to see what emerges from the forthcoming negotiations in Dhaka to help make that happen.

JA. – It was totally inefficient! And what a ridiculous amount of staff time it took. I agree we have such a better system now. For me the biggest change is that I can look forward to being a grandmother. Before 2022 I would worry about how to encourage my daughter to not have children of her own. Now there are so many things in the world to enjoy!

Sub-Saharan African Countries Declare Zero Hunger

by Wallace S. Cheng



The African Union (AU), the UN Food and Agriculture Organization (FAO) and the World Food Programme (WFP) issued a joint statement today congratulating 48 Sub-Saharan African countries for achieving zero hunger. Zero hunger was the second of 17 Sustainable Development Goals that UN member states endorsed in late 2015. It was given a 2030 deadline and related targets included ending malnutrition, boosting incomes and production for small-scale farmers, and ensuring access to healthy food. While this week’s news from Addis Ababa came two years ‘late’, it is still a notable milestone given the converging crises of the past decade, such as extreme weather events, climate change, locusts, and supply chain hiccups due to the Divoc-22 pandemic. In 2020 and 2021, 260 million people in Sub-Saharan Africa went undernourished, with acute or chronic hunger. Acute hunger usually results from drought, famine, war, population displacement and natural disaster. Chronic hunger often has similar causes, but is an entrenched condition exacerbated by poverty, poor health, unemployment, and lack of opportunities.

Hunger has been eradicated in Sub-Saharan Africa by several years of extensive public and private investment by governments, development partners and the private sector. A range of objectives were targeted, from improving regional trade and transport networks to facilitating youth involvement in local food production. For example, over the past decade national governments have invested in railway networks to connect all countries in Sub-Saharan Africa, while also linking them to subregional transportation hubs and seaports. This has substantially cut transport costs for food-stuffs and helped boost regional trade and investment. Another game-changer is modern drip irrigation, which has helped create jobs and boost local incomes. Governments and UN agencies have increasingly invested in this technology in recent years. It uses Internet of

Things (IoT) devices to monitor soil moisture and determine when to irrigate the soil accordingly. These irrigation systems are powered by solar energy. Intensive smart farming in greenhouses built with locally sourced materials has become a trend, enabling young people to manage crop development with tablets, and market their produce well in advance through social media and e-commerce. The poverty rate in rural areas is now approaching zero.

Another major factor in ending regional hunger is governments’ efforts to improve their institutional capacity in newer policy areas, such as the digital economy, to understand how they can support agricultural production and food security. Over the past five years, national and sub-national governments have held over 500 training sessions on digital economy, focusing on digital agriculture. Governments have also worked to improve data collection and analysis, aiming to build a stronger foundation for data-driven policymaking. This has also helped private sector actors to optimize their own investments. Another notable development, also facilitated by new technologies and increased digital connectivity, has been national hotlines where farmers can reach professional agronomists and extension service officers. This has helped

resolve the long-standing issue of limited extension services. Public and private partnerships have played a key role in connecting digital technologies with smallholders. Governments and development partners actively engage digital agribusinesses to work with farmers’ cooperatives and other agrifood value chain actors. New business models, such as agrifood e-commerce, e-logistics, agriculture financial services, and digital advisory services have helped technology reach rural communities, creating new jobs and business opportunities for farmers, youth and women. While achieving zero hunger in Sub-Saharan Africa is a notable feat, agencies and governments caution that there is still much to do. Representatives from the African Union, FAO, and WFP told us they plan to continue working with Sub-Saharan countries to improve the sustainability and resilience of food and nutrition security in the region.

“The road to zero hunger has been a long one, with many twists and turns amid food price shocks, pandemics, supply chain disruptions, and other crises’, a top FAO official stated. ‘While we can and should celebrate this milestone, we also need to be prepared for future crises that can put this achievement in jeopardy.’

Health: Public Interest Beats Profit

An AAGHR (African Alliance for Global Health Research) study has shown that health innovation is increasingly driven by public interest, not economic gain. It examined public and private institutions in health innovation and research. Compare this with 20 years ago, when pharmaceutical profits were ten times higher than today. According to AAGHR, the main driver of change was international patent reform in 2024–2026, leading not only to a prolonged TRIPS waiver amidst global health crises, but complete reform of the TRIPS Agreement. The agreement now includes a cap on corporate rent-seeking. Companies must now also provide access to technology and knowledge if their R&D is government-subsidized.

The realization that health is indeed a social good has not only led to change in the pharmaceutical industries and public health sectors. It also turns out that public health workers in Africa now earn four times as much as they did ten years ago, while public health workers in Europe earn three times as much. Recognition of ‘global burn-out’, what’s more, has led to a powerful mental health initiative steered by Tasgame Tinoba, Secretary General of UN Health. Leading by example, it offers two hours’ yoga and meditation for employees on work days. *tb*

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September 2022



HOROSCOPE

Essential Guide for Trading Wonks by Jan Orbie



ARIES
(21.3.–20.4.)

Waive for the WTO, Aries! You may not be feeling well today. In fact, there are signs that you are getting sick as a result of a Covid-31 infection. The good news is that the permanent TRIPS waiver allows for cheap and effective medicines, independent of the country where you are based!



TAURUS
(21.4.–20.5.)

Love is in the air, Taurus! Time to overcome your commitment issues and hit the dating market. Approach your most-favoured person and adopt a positive list attitude. Check the harmonizing formula and the latest rules on anti-dumping, and you’ll be all set for a (bilateral) romantic date!



GEMINI
(21.5.–21.6.)

Enjoy your meal, Gemini! The Food Stabilization Agreement, signed as part of the GOT MC1 Package, guarantees you a nutritious meal based on local products. By providing local policy space and global stabilization mechanisms, the agreement guarantees food security as well as stable prices.



CANCER
(22.6.–22.7.)

Let the beast go, Cancer! We celebrate the sixth anniversary of merging all trade organizations. The success of the new Global Organization for Trade (GOT) reflects on you today. Jan-Luc Mélenchin was appointed new director and GOT headquarters have moved to Beijing. Farewell party at Lake Geneva: go wild!



LEO
(23.7.–23.8.)

Let yourself be surprised, Leo! When receiving Green Boxes in emerald, olive, lime and mint, open them and enjoy. Within the Climate Deal agreed at the GOT MC3, someone will treat you with green renewable energy subsidies. But watch out for green-washing!



VIRGO
(24.8.–23.9.)

Go shopping, Virgo! Do not be stressed and chill in Geneva’s shopping streets, which today offer Duty-Free and Quota-Free (DFQF) treatment for fair trade products. By participating in this experiment, you support the campaign for a permanent DFQF agreement!



LIBRA
(24.9.–23.10.)

Don’t be modest, Libra! Your professional front seems promising. You have built a successful career on trade justice. Now it’s time to shoot for membership of the GOT WTSAD Appellate Body and be one of the 490 members deliberating on trade disputes.



SCORPIO
(24.10.–22.11.)

Be careful, Scorpio! If you’re one of the 20 ‘least-developed countries’ yet to become ‘developed’ (i.e. with a big ecological footprint), a major trading partner will offer you Special and Differential Treatment. May be a good day to meet your friends within the De-growth and Post-development Alliance!



SAGITTARIUS
(23.11.–21.12.)

Hang on, Sagittarius! The final round of negotiations on the TRUMP (Trade Related Unsustainable Meat Products) agreement will start today. Prepare yourself to face the convulsions of the food lobbies who oppose it. And check the recent breakthroughs on lab meat – very promising!



CAPRICORN
(22.12.–20.1.)

Trade in peace, Capricorn! Russian President Aleksey Navalny has announced his support for continent-wide talks on supply chains. Key innovation: national borders are diffused through regional trading networks between towns and communities on both sides of Russia’s borders.



AQUARIUS
(21.1.–19.2.)

Be of service, Aquarius! The revived World Social Forum, which has occupied the old WTO headquarters, will today propose a blueprint for a new services agreement. Contrary to its predecessor, the main principle is that public authorities are at the service of people and communities.



PISCES
(20.2.–20.3.)

Take a breath, Pisces! The Fishy-Fat Agreement on Fisheries Subsidies agreed to at GOT MC2 is finally having an impact. It replaced the slimmed down agreement reached at WTO MC12. Thanks to a broader (one might say oceanwide!) rule to curb subsidies, your species is thriving again in many seas.

No Escape from Climate Change

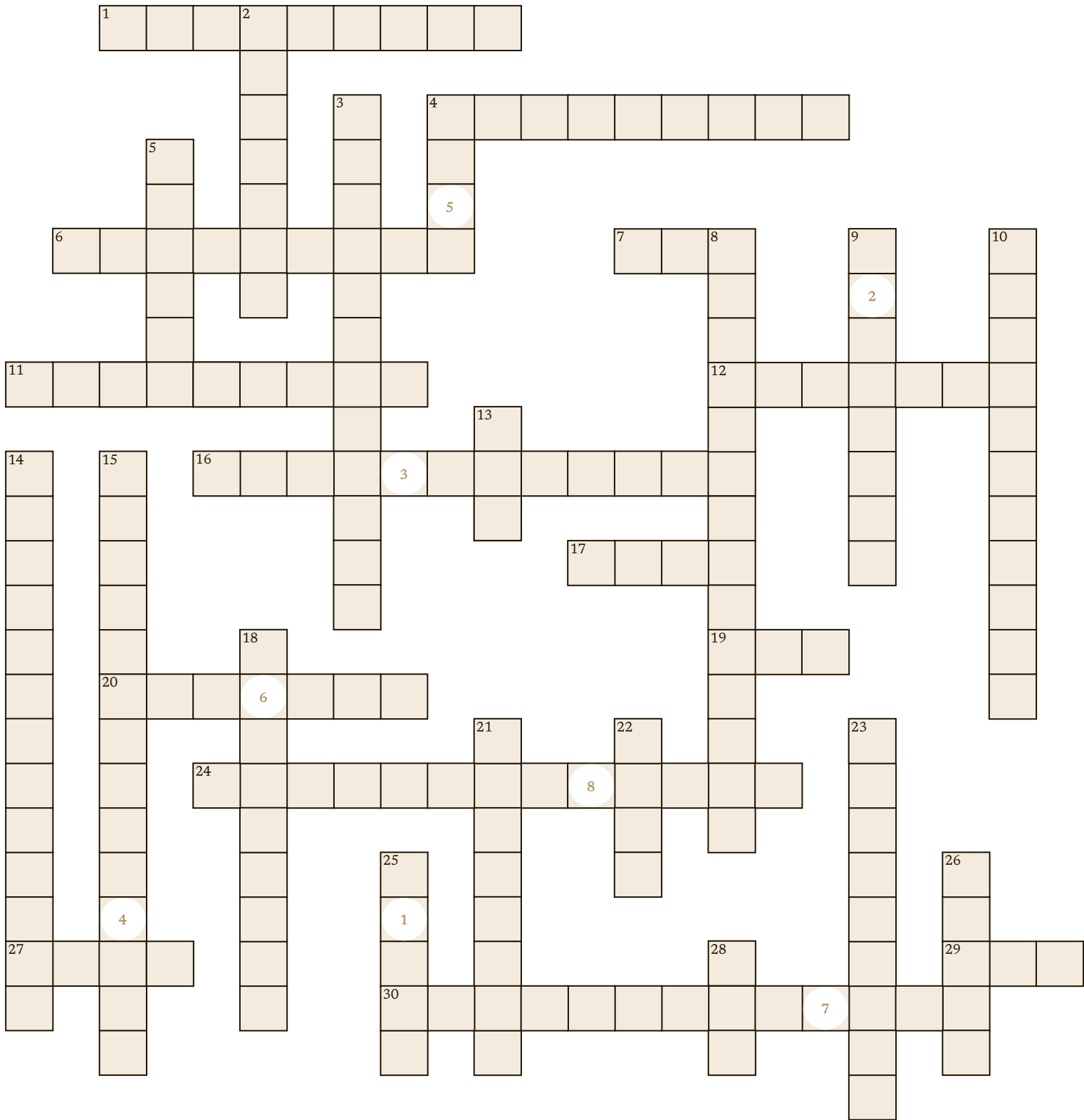


At a press conference on 26 September in Nairobi, UNFCCC, WMO and UNEP warned world political leaders not to ignore the impact of climate change. While extreme weather conditions have undoubtedly been increasing for more than a decade in all parts of the world and scientists have demonstrated the growing urgency, joint measures on mitigation and adaptation continue to decline. ‘Climate has never respected human-made borders’, said Anna Puertes Riaño, executive secretary of UNFCCC, ‘and climate action must return to the forefront of global action’. The Global Climate Indicators would ring the alarm-bell, WMO’s secretary-general Sara Halserm stated and added ‘our climate is changing, and socioeconomic impacts highlight the vulnerability of populations; no matter whether they live in the North or South, East or West’. UNEP’s executive director Gada Aguilarmos warned that ‘in the past, G20 members were not on track to achieve their pledges. But now, we don’t even have their pledges to count on’. *yb*

European Football Is Male Again

The Executive Committee of the European Football Association (UEFA) decided to suspend with immediate effect all female football in its member countries at a second Ordinary Congress earlier this month in Nyon, Switzerland. ‘Football is alien to the nature of women’, said Stefan Blatterli, UEFA’s president. Recent studies have proven what was common sense in the mid 20st century, that football has a severe impact on women’s morals. ‘We have come to this decision in order to

protect our women, the mothers of our children’, a delegate from Germany explained, ‘because their bodies and souls inevitably suffer damage by playing football’. In many European countries, female football was officially forbidden for several decades during the second half of the 20st century. In the past, women’s football gained tremendous recognition. ‘Probably too much’, grumbled the coach of a women’s team who wants to remain anonymous. *yb*



- Across**
- 1. (...) - Ebert-Stiftung
 - 4. J(...)I
 - 6. Measures, hurt
 - 7. Solves conflicts (abbr)
 - 11. At least two
 - 12. Do add cost
 - 16. Helps, a lot
 - 17. Predecessor of WTO
 - 19. WTO, back home
 - 20. Come in
 - 24. Almost multilateral
 - 27. Between LIC and MIC
 - 29. WTO's brother
 - 30. 27, acting as one (2 words)

- Down**
- 2. Go out
 - 3. Art and means to find solutions
 - 4. 39, lots of water around
 - 5. WTO home
 - 8. Companies, active everywhere
 - 9. More than national
 - 10. Export & import: by definition such a trade
 - 13. Multilateral trade guardian (abbr)
 - 14. All joining the party
 - 15. TES(...)D
 - 18. WTO sister
 - 21. Do stand in the way
 - 22. AfC(...)TA
 - 23. Subsidies, resist since decades against regulation
 - 25. S(...)E
 - 26. Should graduate, soon!
 - 28. UN, French

Solution:



You will find the solutions from 28 September at:
<https://geneva.fes.de/topics/trade-and-development>

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September 2022



New European Trade Strategy: Sacrifices to Be Made

Exclusive Interview with Commissioner Le Pant

by Jan Orbie

Q. – Commissioner Martine Le Pant, last Friday you presented the new European Union (EU) Trade Strategy entitled ‘Tradeoffs: Realist Exchanges for Peace’. Why does Europe need a new trade strategy?

A. – The world has drastically changed. Look at the European war with Russia and the East Asian war with China, not to mention the tensions between the US and Mexico. As I have been warning since taking office as Trade Commissioner in 2029, this clash of civilizations requires a more realistic approach to trade issues.

Q. – How does this approach then differ from your predecessors?

A. – The naivety of leftist elitists like Parzival Lamby, who thought that free trade would entail peaceful societies, has proven very harmful. It has destroyed local agriculture in Europe and strengthened predatory practices of countries like China. We want stronger trade instruments at the service of Europe’s foreign and security agenda. And there is a good chance that the strategy will be accepted across Europe. We have a large majority of governments with healthy conservative parties in the Council of Ministers and a wide support base within the European Parliament. Thanks to the paralysis of the World Trade Organization (WTO), we should also not feel bound by complex trade rules once developed by cosmopolitan technocrats who have no idea about people’s needs.

Q. – But you also support large-scale free trade deals, for instance with the United States. Does the reanimation of the TTIP (Transatlantic Trade and Investment Partnership) not go against your previous political views?

A. – It is true that I have become more realistic on this point. You know, a key success of our trading strategy is that we have solved the ‘protectionism versus neoliberalism’ debates which have haunted trade debates for so many decades. We have really transcended this duality. The point is not to protect or liberalize, but to pursue our strategic interests.

Q. – Which are…?

A. – If we want to win the wars against Russia in Eastern Europe and against migration floods at our southern frontiers, we have to use all means at our disposal. Thus, this includes trade tools. We have a very clear understanding with the US Administration, including my colleague US Trade Representative Iljanka Tumb with whom I share many feminist concerns, that our joint war efforts should be fostered through transatlantic trade. Look for instance at our joint action to terminate the trade agreement with the Mercosur, the Latin-American trading bloc that is dominated by communist dictatorships. *Enfin bref*, we pursue free trade with friends and trade blocs towards enemies. So that does not mean that I have suddenly become a cheerleader of free trade.

Q. – What type of trade do you favour?

A. – Trade will in fact be more regulated than ever, to secure overriding geopolitical goals. Of course, some sectors will lose, also in agriculture which is a sensitive issue in my country. But others will gain, not least the defence industry that has finally formed pan-European conglomerates in support of our new EU army. Also, ordinary people in Europe do understand that sacrifices need to be made. Extraordinary times ask for exceptional meas-

ures. There is little value in trying to save local agricultural producers at all costs, when we could be invaded by Russia or China.

Q. – Does this mean that sustainable development is no longer a priority?

A. – *Au contraire!* The only difference is that we now more accurately describe ‘sustainable development’, namely: the continuing development of European welfare and culture. We fully support more assertive and enforceable mechanisms on sustainable development, such as the strengthening of the Trade and Sustainable Development Chapters and the introduction of Mirror Clauses. The growing assertiveness has been a step in the right direction. However, we need to use these trade tools strategically and realistically.

We need to overcome the colonialist tendency of wanting to help and lecture other countries.

Q. – Could you please explain what you mean by that, concretely?

A. – For instance, we will not employ them against Morocco, our friends and allies in the building of the migration wall. On the contrary, we have abandoned the customs union between the EU and Turkey because of the Turkish government’s sloppy implementation of

the migration deal and its close alliance with the Russian dictatorship. Together with my colleague here in Strasbourg (the new capital of the EU, ed.), Migration Commissioner and good friend Vikos Orlin, we have developed a genuinely sustainable policy on the trade-migration nexus. We may for example import African people for certain jobs in European industry and war-related operations, as provided under the Migration Development Chapters of our new trade agreements.

Q. – But many of your so-called African friends are suffering from fluctuating food prices. Will your strategy not worsen their situation?

A. – Only journalists of certain newspapers could ask such questions ... Of course, regimes that collaborate with us on migration, energy, raw materials, and other issues that contribute to the conduct of the wars at our borders, will receive beneficial trade deals and development aid. It is the responsibility of their leaders to make sure that this money will help the population and not stimulate corrupt elites. We need to overcome the colonialist tendency of wanting to help and lecture other countries. Just as we ourselves need to preserve Europe’s interests.

Q. – Still, it is difficult to understand how this will help African countries.

A. – Of course, we have a special cultural and historical connection with the African continent, and we want to foster the development of these peoples if this does not interfere with our agendas. However, we should no longer be naïve, as Europe has often been in the past, by helping others while neglecting our own people. As the title of the new European strategy makes clear, tradeoffs must be made.

Retrospective: Do You Remember 2007?

by Yvonne Bartmann

In the news 20 years ago

The World Food Programme (WFP) yearbook on Syria

The year 2012 leaves a bloody footprint across Syria, closing with little hope for a speedy end to the violence as it began. By March 2013, the country has marked two years of civil conflict that has killed tens of thousands of people and left more than one million refugees.

The Guardian on the drought in Northern America

The worst drought in decades continues to expand across North America – long after the summer’s blistering heat waves wiped out much of the corn and soybean crops in the country’s farm belt. Some economists expect the drought could outstrip Sandy as America’s costliest extreme weather event of 2012, costing up to 100 billion US-Dollars in lost crops with a knock-on effect on the livestock and farm equipment industries, and rural communities. By December, about 62 per cent of the American mainland remains under drought, with conditions intensifying across the heart of the country.

In the news 25 years ago

The New Scientist on technology

The human impact on the environment is a theme that has been looming large in 2007,

and one that technology developers have done their best to tackle. They are devising greener ways to make energy, including an improved method for making hydrogen from plant waste, the prospect of bacteria-powered cell phones, and even catalysts that use CO₂ from the atmosphere to make fuel. We also learn that electric cars might help manage energy in future by using their batteries to backup the electric grid while parked.

The Nobel Committee on the Nobel Peace Prize

The Norwegian Nobel Committee has decided that the Nobel Peace Prize for 2007 has to be shared, in equal parts, between the Intergovernmental Panel on Climate Change (IPCC) and Albert Arnold (Al) Gore Jr. for their efforts to build up and disseminate greater knowledge about man-made climate change, and to lay the foundations for the measures that are needed to counteract such change.

Steve Jobs debuts the iPhone

On 9 January 2007, Apple Inc. CEO Steve Jobs unveils the iPhone—a touchscreen mobile phone with an iPod, camera and Web-browsing capabilities, among other features—at the Macworld convention in San Francisco. Jobs, dressed in his customary jeans and black turtleneck, calls the iPhone a ‘revolutionary and magical product

that is literally five years ahead of any other mobile phone.’ It goes on sale in the United States six months later, on 29 June, amidst huge hype, thousands of customers lining up at Apple stores across the country to be among the first to purchase an iPhone.

In the news 30 years ago

The UNHCR on the humanitarian situation

‘(...) casting a shadow over everything is the ongoing fallout from the September 11 terrorist attacks. (...) In Colombia, the worst humanitarian situation in the Western Hemisphere continues to deteriorate. The bloody conflict in Chechnya is highlighted in horrific fashion by the violent incident at a theatre in central Moscow and the subsequent deaths of dozens of civilians and their Chechen captors when special forces stormed the building. Around 1 million people remain displaced in the Balkans, principally ethnic Serbs from Croatia and Kosovo currently living in the rump Yugoslav Republic of Serbia and Montenegro. Parts of Africa, such as Liberia, Western Sahara and Burundi remain deeply troubled. Looking beyond immediate refugee crises, David Lambo, head of UNHCR’s Africa bureau insists there have to be fundamental improvements in the way millions of Africans are treated by the rest of the world. ‘The current global economic structure is simply crazy’, he says, ‘an insult and an enemy of many Africans’.

Radical Shift of EU Agriculture Policy: Local Comes First

On 26 September high-level conference titled by ‘Food for our People’ in Vienna, several European heads of government agreed to shift 40 billion euros of EU agricultural expenditure gradually towards direct subsidies for local production-consumption chains. These chains would help to secure millions of jobs. While representatives of the movement ‘Greening our Planet’ welcomed the decision as an important step towards further resilience against climate change, the leader of the socialists’ and democrats’ group of the European Parliament fears a further nationalist policy approach. ‘We have witnessed the droughts, the floods in each and every country on this continent’, Jette Rothenthal said, ‘this decision will have a devastating impact on what we eat, how much we eat, and who will be able to eat’. The Executive Director of the World Food Programme, Joselle Secko, stated ‘We all know what this decision will mean for many developing countries – hunger’. *yb*



EDITORIAL

by Yvonne Bartmann

Life was made easier after 1992 when borders were removed. – Pascal Lamy

Eleven years after the former Director-General of the WTO made this statement, amid another incredibly hot summer, while devastating fires wreak havoc around the globe, our lives have changed. Borders have been closed, new ones have been erected, and, worst of all, there are now new borders in our own minds. The world wasn't perfect in the first two decades of our century. Millions of people lived in poverty, as the so-called losers of globalization, with no way to fulfil their basic needs. Even less flattering, seemingly sympathetic politicians would refer to these people as 'the left behind.' Millions of people struggled to pay for their daily needs, despite working long hours in indecent working conditions. Jobs were scarce, and the world was experiencing one crisis after the next: the war on terrorism, the financial crisis of 2008/2009, the COVID-19 pandemic that began in 2020, and the start of the war in Ukraine, which continues to this day. And of course, the impact of climate change was noticeable already by then.

Yet in the early 2000s, the economic policy community was almost euphoric about globalization. Development was high on the agenda, and so was international solidarity – at least rhetorically. Businesses had established supply chains throughout the globe that made borders seem nearly invisible, at least for goods and (many) services. Millions of people were lifted out of poverty. Policymakers were breaking down silos, recognizing that issues like trade and climate change could not be treated in a vacuum. Political leaders were looking for global answers to global problems, as underlined by the UN Millennium Development Goals and later the Sustainable Development Goals. The hope that we could find multilateral solutions to global challenges was palpable.

We are far from that now. Fear, scepticism, and absence of trust have become the driving forces of our time. Far-right nationalists have won election after election on all continents. Politicians have successfully created their comfort zones, by defining what is 'home' and what is 'abroad', creating distinctions between 'us' and 'them', spelling out what they claim is 'good' and what is 'bad'. Are we living more comfortably than we were 10 or 15 years ago? The answer is no. Supply chains have broken down so badly that most companies don't have access to the inputs they need to create goods or provide services. The slogan 'made in the world', a term coined by former Director-General Lamy in the late 2010s, has fallen out of use. Unemployment rates are skyrocketing, and trade unions exist in name only. Of course, we still hear the hype about 'national champions' in business. However, we must exercise caution to judge whether this business model is sustainable over time. Inequalities between countries are even more pronounced, trade agreements are being pushed aside, and global problems are simply ignored. How can problems such as war, climate change, and poverty – to name only a few – be ignored? Ignorance has never solved a problem. We need to do something. And we cannot do it alone. We need the willingness of others 'abroad'. We cannot succeed unless we break down the fault lines between 'us' and 'them'. We need to revive multilateralism before it is too late.

→ continued from page 1

leaders have been showing less and less interest in global collaboration. While weather extremes like heat waves have become a recurrent phenomenon in both hemispheres, WTO members closed the Trade and Environmental Sustainability Structured Discussion (TESSD) earlier this year without any achievements. The work of the WTO's Committee on Trade and Environment came to an end as long as two years ago.

Far-right nationalism continues to rise globally. Far-right national parties have found success in further elections worldwide. According to Tina Blohm, professor of trade and politics at the University of Lund, the reason for this ongoing phenomenon is the instrumentalization of collective fear and individual anxiety. The 2031 World Inequality Report by the World Inequality Lab found that global inequality is on the rise. Though the richest 10 per cent of the global population currently enjoys 59 per cent of global income (51 per cent in 2021), the poorest half earns less and less, with 6 per cent in 2031 (8.5 per cent in 2021). Global wealth inequalities are even more pronounced. The poorest half of the global population barely owns any wealth at all, possessing 1 per cent of the total (2 per cent in 2021).

Why Kenya Is Leaving the World Trade Organization

by Rashid Kaukab

It feels surreal, but it's not totally unexpected. The recently elected President of Kenya, Keni Kerubo, has followed through on another of his election promises and announced that the process for his country to leave the World Trade Organization (WTO) will be completed by the end of the year.

His aggressive campaigning on a far-right agenda had handed him a handsome victory in this now-impooverished country. Today's Kenya, once a regional and international leader on trade policy, is now grappling with high rates of poverty and unemployment, made worse with the ever-growing number of climatic disasters. Immediately after forming the government, Kerubo announced tighter restrictions on foreign workers, stricter regulations for multi-national corporations, and put on hold the implementation of an ambitious trade and investment agreement among all the countries of the continent.

Withdrawal from the WTO will complete this process of disengaging from global and large regional trade and investment relationships in favour of greater national 'self-reliance'. Trade policy from now on, he says, will be guided by the considerations of national sovereignty and self-sufficiency, following the example set by former US president Tumb between 2016 and 2020.

It was almost 30 years ago that Kenya had joined the WTO after a lengthy accession process. Indeed, there were some voices at that time warning against the deep and far-ranging liberalization commitments made by Kenya as the price of WTO membership. NGOs and academics had feared that it would lead to cheaper and subsidized imports that would hurt domestic agriculture and infant industries. But there was also hope that WTO membership would guarantee more markets for Kenya's exports and attract much-needed foreign investment. Moreover, with its binding dispute settlement system that gives the same weight to all member countries, the WTO was expected to give Kenya a level playing field against its much bigger trading partners. Over time, Kenya became a major voice in the organization, often helping bring together developing economies to advocate for shared positions or issues of concern.

Despite these high expectations, the reality proved far different. The story of the past 30 years is one of missed expectations and opportunities, one after another. Soon after joining the organization, Kenya discovered that despite the promise of negotiations across the WTO to reform many of its rules, real progress was

In contrast, the richest 10 per cent of the global population owns 84 per cent (up from 76 per cent in 2021) of all wealth.

Thirteen years after the outbreak of Covid-19 and the beginning of the global recession, the risk and severity of global health crises have increased, according to several National Health Institutes. After the dissolution of the WHO in 2025 the world practically operates without global health organization. In the absence of an effective global health organization, the surveillance of global health data has become more and more challenging.



Less Power for TNCs

At this year's summer meeting of the World Economic Forum in Lucerne, Switzerland, several CEOs asked urgently for a revival of the so-called global value chains. 'We are witnessing not only a costly way of production, but a production without access to all necessary ingredients for a healthy economy', claimed Carli Hiberu from one of the WEF's partners. While trade used to be a driving force for global GDP, and 70 per cent occurred through global value chains not even ten years ago, these numbers have dropped significantly. During the first two decades of this century, it was common to produce components of one product in different countries. At the same time, political leaders at the Forum applaud their 'Made at home' initiative, which is supposed to stimulate the creativity of each country's businesses. So-called global supply or global value chains play a minor role in today's world economy. *yb*

WTO Reform

At the 17th Ministerial Conference of the World Trade Organization (WTO) in New Delhi, India, several member states decided to transform the character of the Geneva-based organization. The joint statement titled '167 for 167' signed by the five big economies the USA, the EU, China, India, and South Africa foresees a reduced WTO secretariat of only 167 staff, equivalent to the current number of its member states. Each staff member shall be in charge of one WTO member state. 'The international trade expert at the WTO will be a valuable adviser for our domestic trade ministries', said Minister Sai Gohyali from India. *yb*

Asymmetric World
Social Outlook

Global unemployment levels and rates are expected to remain high in the short term, estimates the International Labour Organization. In 2032, 6.4 million people are expected to lose their jobs, bringing total global unemployment to over 305 million (from 207 million in 2022). The ILO highlights a further drop in access to social protection and employment protection, globally increasing the risk of social unrest across almost all regions. *yb*

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Trade

NEWS

FUTURE PATHS FOR THE INTERNATIONAL TRADING ARCHITECTURE

ADIEU WTO Kenya's process to leave the World Trade Organization will be completed by the end of the year. Page 2	SACRIFICES TO BE MADE Interview with Commissioner Le Pant about the new European Trade Strategy Page 3	RETROSPECTIVE Do you remember 2007? What was in the news 20 years, 25 years and 30 years ago? Page 3	NO ESCAPE FROM CLIMATE CHANGE UNFCCC, WMO and UNEP warn world political leaders not to ignore the impact of climate change. Page 4
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'Nationals First' Policies Hurting Nationals the Most

by Wallace S. Cheng

Since April 2032, dozens of countries in Asia and Africa have taken systemic measures to close their borders for various reasons, ranging from political economic security to public health concerns. Political leaders and experts from the two continents met in Cairo, Egypt from 17 to 19 September 2032. The objective of this regional conference was to better understand the driving forces of closing borders and discuss the consequences. They suggested possible actions to reverse policies that hurt their own national interests and propose more regional trade and investment cooperation. Populist power plays are the main driver of the re-emerging nationalist movements in Asia and Africa, experts say. Some political leaders want to strengthen their political control against opponents by closing borders with neighbouring countries. Many governments take full control of their foreign exchange – which de facto blocks private exporting and importing – asserting that ‘our maize shall feed our own people first’ or ‘importing sugar will kill our own sugar farmers and industries’.

Some of these policies backfire harshly. In some countries, sugar is in extreme shortage. Staple foods like maize are selling at an unaffordable price for the poorest, three times higher than during local harvest time. Importing agricultural equipment and machine parts is prohibited, and thus forced onto the black market, severely inhibiting agricultural modernisation. Manufacturing is in free fall having been cut out of regional value chains. Tourist sites are empty and hotels closed, or only partly open. The success of far-right movements is not new. Meeting participants recalled former US president Ronald Tumb, once praised as an ‘America First nationalist’. Tumb claimed that by ‘America First’ he meant that his administration would prevent other nations from taking advantage of the United States. Experts believe that this heralded the decline of US competitiveness and soft power. Many participants agreed on the need to reinvigorate regional economic cooperation. This would demonstrate the value of open trade and investment for shared prosperity. Political leaders representing the African Continental Free Trade Agreement (AfCFTA) and the Association of Southeast Asian Nations (ASEAN) expressed a desire for closer ties between countries. But whatever their good intentions might be, Realpolitik means that free trade will not return anytime soon.

No Future for the WTO

As Members Favour Its Dissolution the World Trade Organization Is Going Through an Essential Phase that Will Decide Its Fate

by Caroline Dommen

In an unexpected development last week, 126 out of 167 WTO members voiced their view that the World Trade Organization (WTO) should be dissolved. Rumbles of discontent about the global trade body had been growing annually and became evident during the last Ministerial Conference in New Delhi. The spark that set off the series of WTO denunciations were disagreements during Tuesday’s Committee on Market Access. Several delegates thought the Secretariat had insufficiently outlined the Explanatory Notes to the HS2027, the Committee’s main business. These differences at first seemed easy to resolve but growing tensions of recent months soon came to the surface, revealing once again the extent of the WTO’s inability to respond to any of the challenges that face the world today. Reasons given were the failure to permit adequate health responses to successive global pandemics, to address food insecurity or to reduce climate change. The inability to stem financial flows from countries in the global South to the global North was also given as a reason. Ambassador Edgar Cartwright of England, speaking on behalf of the EU-31 (including England, Moldova, Scotland and Ukraine) explained to Mont Blanc Trade News that ‘the HS2027 discussion was like the lid on Pandora’s box. Once we allowed it to open, all manner of miseries were flung in the face of the WTO.’ ‘The EU has tripled its tariffs on manufactured products from Asian developing countries since 2023, whilst doubling the volume of its agricultural subsidies and exports,’ the Bangladesh trade envoy Tasfin Shamizur, CEO of Re-

liance Industries, retorted in a tweet. Tensions between graduated LDC countries and the European block are at an all-time high since the EU increased tariffs and subsidies in retaliation against a successful WTO complaint about the Carbon Border Adjustment Mechanism (CBAM) introduced in 2022. Emerging from an informal session of the TRIPS Council (on Trade-related Aspects of Intellectual

ing diversionary tactics to avoid waiving WTO rules to let us take action to prevent deaths from future pandemics.’ An African Ambassador who wishes to remain unnamed added ‘We all know that rich governments can afford to heavily subsidize their agriculture, that they dump their produce in poorer countries and are reducing their imports from the global South. This undermines poor peoples’ livelihoods and brings the multilateral trading system into disrepute. Yet we’re getting nowhere in these talks.’ The atmosphere in the WTO’s hallways became uncharacteristically noisy. A delegate – hard to identify amongst the growing crowd gathering in the WTO lobby – shouted ‘Stop boycotting the Agriculture Agreement!’ and was greeted with cheers and whistles. As the hashtag #DissolveWTO started to go viral, the UN Special Rapporteur on the Right to Food tweeted: ‘The #AoA is inherently unable to provide adequate trade results, much less food security outcomes.’ The fact that the post of WTO Director-General has been reduced to a part-time position did not help: none of the WTO’s senior leadership team was available to pacify the different points of view and pent-up frustrations that rapidly began to flow out of the Market Access Committee. When former DG Dr Ngabile Omonji-Iweali’s term of office expired in 2025 there were no candidates to take on the role. The heads of the International Trade Centre (ITC) and the World Bank Office in Geneva now take it in turns to head the WTO Secretariat. With so many members refusing to attend any of the meetings scheduled for the rest of 2032, the WTO’s legal status seems diminished to match its shrinking place in the world.



Property Rights) a Brazilian delegate burst into tears. ‘Here I am in WTO meetings discussing the 4th TRIPS waiver when my three children are in intensive care with poxorivirus-24’ he said. ‘I have to sit in a room with delegates who, twelve years on, are still adopt-

The World of Trade this Year – Mont Blanc Trade News Gives an Overview of Trends in 2032

According to the International Monetary Fund, global growth is projected to fall by minus 5.4 per cent this year. This is the third time in a row that global growth will fall by more than 5 per cent. Expectations of tighter policies, disruptions of supply chains, and worries about the openness of markets have contributed to financial market volatility and risk repricing. The dissolution of the World Trade Organization, created in 1995, is on the table. Last week, 126 out of 167 members voiced their view that the organization governing the multilateral trading regime should be dissolved. If and when this drastic step will be taken is not yet decided. However, another group of countries led by right-wing governments suggested at the 17th Ministerial Conference in New Delhi a few weeks ago that the organization should be transformed into a simple advisory body with a small number of staff. This would almost be tantamount to a de facto dissolution. The global divide in the digital transformation has widened significantly, according to UNCTAD. Despite the urgent need of many developing countries, technical cooperation in this area has come close to a standstill leaving millions of people disconnected from the internet. The ECOSOC Forum on Financing for Development (FFD) will stop working. In the absence of political will and financial resources, the international gathering will hold its last session in April 2033. The Forum used to be the global platform for reviewing and aligning initiatives on financing for development. Measures of adaptation and mitigation to combat climate change are losing political support. While implementation has constantly been delayed, political

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