

MONT BLANC TRADE NEWS

WTO MC13 SPECIAL EDITION

SET THE PRIORITIES RIGHT

Daniel Bertossa, Secretary General, Public Services International

Do you feel the MC13 process is inclusive for smaller developing countries and/or your organisation? Why or why not?

It looks like once again decisions will be made by a few powerful players behind closed doors, then presented to the conference as a fait accompli. Doha Round commitments made over 20 years ago to move forward with a development agenda and the core principles of special and differential treatment for developing countries remain sidelined. The scheduled discussion to extend the already-diluted relaxations on rules surrounding vaccines, diagnostics and treatments looks unlikely to even be held, despite receiving overwhelming support from developing countries, unions and civil society. Instead, high income countries are pushing further trade liberalisation for the benefit of foreign investors through Joint Statement Initiatives (JSI) which are effectively plurilateral agreements in a multilateral forum. The recent withdrawals from the Energy Charter Treaty (ECT) reveal this approach as a dead end.

How can the process be made more inclusive for smaller developing countries, non-member participants and non-state stakeholders?

The WTO must prioritize the promised development agenda and drop rules which promote privatisation and hinder actions to address the climate crisis and inequality. The African Group's proposal following the last Ministerial for a Working Group to drive essential reforms has been largely ignored. Instead, new issues brought in through JSIs, such as e-commerce and domestic services regulation, introduce complexities that require significant resources to analyse and reduce vital regulatory space. Contrary to how these issues are often presented, they have little to do with global trade and more to do with promoting and protecting the rights and interests of the largest multinational corpo-

rations. The WTO should review how existing rules increase inequalities, promote privatisation, and restrict access to quality public services and the medicines, technologies, data and other resources workers need. To restore the WTO's reputation and ensure its continued existence, it's time for leadership to take a stand against the powerful interests who see democratic decision making as an impediment to their goals.

The WTO must prioritize the promised development agenda and drop rules which promote privatisation and hinder actions to address the climate crisis and inequality.

What do you think are the main issues that MC13 is aiming to address? Are these important/relevant from your perspective?

The JSI on investment facilitation could allow investors to water down or block vital regulation which they see as impeding on their interests. These measures are extremely broad, covering any action related to foreign investment such as laws, environmental impact assessments, technical standards at all levels of government. This could further limit governments' ability to make foreign investors contribute to the green transition through licensing fees, royalties and higher standards. Meanwhile proposals on data and digital trade mirror big tech demands, allowing firms to deepen their control over sensitive datasets generated by workers and public services. The WTO should drop its reductive approach to such regulation and support measures to keep big-tech in check. That's why PSI and

#02 | 2024

Editorial

A call for hope and compromises
p2

The Memory Bowl

Remembering the past can provide explanations of the present p2

Transparency and Inclusivity

An interview with Josephine Phumisa
p3

WTO needs cooperative approaches

An interview with Alice Tipping
p4



FES' "Our Digital Future" project is training unions to push Governments to pursue digital policies that instead prioritize the public interest.

Do you think that MC13 will be a success? Why or why not?

We must move away from the relentless pressure for MCs to "deliver" or be regarded as failures. Governments should not proceed with bad deals such as the JSIs, particularly on investment facilitation, domestic services and e-commerce. The JSI on Investment Facilitation is progressing at an alarming pace and unions must raise concerns with governments. If it proceeds, it will further undermine multilateralism and the principle of consensus and damage the WTO's reputation.

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

The impact on multilateralism will be devastating if MC13 agrees another deal that ignores developing country interests, promotes corporate power and undermines QPS and struggles to fight inequality. We have significant concerns with the WTO, but other trade deals are often less transparent and worse for workers and public services. The proposed Trade in Services Agreement, written up by corporate lobbyists, went far further than existing WTO measures. Yet by mobilizing unions across the world, we were able to stop a bad deal. The lesson is that by educating workers, building coalitions and articulating powerful alternatives, we can stand up to vested interests and push our governments to build a fairer multilateral trade system.

EDITORIAL

by Yvonne Bartmann and Rashid S. Kaukab

The 13th WTO Ministerial Conference formally opened yesterday at the Abu Dhabi National Exhibition Centre (ADNEC), UAE. The Opening Ceremony was solemnly impressive. Hundreds of delegates present in the plenary hall politely listened to and applauded the opening statements that exhorted them to achieve meaningful results for the multilateral trading system. We hope this applause will translate into concrete outcomes by Thursday evening. The action though had started during the weekend when the ambassadors and delegates from Geneva, as well as their ministers and other high-ranking colleagues from the capitals arrived here. A number of Ministerial meetings were held on Sunday while many bilateral contacts and conversations among Members also took place. All in an effort to find common ground on a number of issues on the agenda where Members still seem to be far apart. Indeed, not only hundreds of delegates came here from Geneva, but also a number of draft documents which still need to be finalised by all the Membership. We hope that the Geneva delegates will return to Geneva not with the drafts they brought here but with agreed Ministerial Decisions. It was a pleasant change from below ten centigrade of Geneva to plus twenty of Abu Dhabi. If we go by some of the accounts, the “temperature” in some of the negotiating meetings may very well be even “higher” despite the air conditioning. Will the warmer weather be enough to thaw the freeze in many important areas under negotiations, from disciplining harmful fisheries subsidies to trade in agriculture, from dispute settlement to WTO reform, and from development to the specific interests of poor countries like LDCs and Small, Vulnerable Economies? Or will the “higher temperatures” inside the meetings rooms reach “boiling points” beyond the reach of compromises? We hope that it would be the former and not the latter.

A lot is going on in Abu Dhabi. Not only inside the Ministerial venue but also in other places in the city. In addition to the WTO NGO Centre inside the conference centre, just across the Ministerial venue is the Trade + Sustainability Hub by the International Institute for Sustainable Development where a number of NGOs, international organisations and business associations are organising thematic sessions on a wide range of trade and related issues. And there are many other formal and informal meetings taking place behind closed doors. There is palpable energy in the air. We hope this energy will enthuse the Ministerial participants to look for solutions and not to reiterate the problems.

THE MEMORY BOWL

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

We need to reinvent the ideals of our fathers

November 1999 | WTO chief Mike Moore | ICFTU conference

“(…) There is also a darker side to the backlash against globalization. For some, the attacks on economic openness are part of a broader assault on internationalism - on foreigners, immigration, a more pluralistic and integrated world. (…)

We need to reinvent the ideals of our fathers; of internationalism and solidarity for a new age of globalization, and to help build a new fresh, fair consensus around trade and labour for working people everywhere. The new century must be one of persuasion not coercion, with engagement through multilateral rules, agreements where our differences are settled fairly, through the law, which is the mandate of the WTO. It’s not perfect, it can be improved but the world would be a more unstable and more dangerous place without it.”

WTO faces an identity crisis as Trump weighs going it alone

6 December 2017 | Shawn Donnan | The Financial Times, USA

The institution’s members are confronted by what many see as an assault on the postwar trading system. (…)

Almost a year on, (…)

the aluminium case brought by the Obama administration lays dormant, just one victim of the dramatic change in US trade policy that Mr Trump has orchestrated. Armed with his instinctual suspicion of multilateral institutions, Mr Trump has turned the WTO from what his predecessors saw as a strategic tool into a strategic target. (…)

national institutions. (…)

The result is that as trade ministers from the WTO’s 164 members gather in Buenos Aires on Sunday for their biennial conclave, they are confronting what many see as an accelerating existential crisis for both the two decades-old body and for the postwar trading system. (…)



WTO adopts Geneva package, disappoints LDCs

18 June 2022 | Doulot Akter Mala | The Financial Express, Bangladesh

Though the member countries of the World Trade Organization (WTO) finally reached a deal in Geneva concluding the 12th Ministerial Conference (MC12) on Friday, it appears as a largely disappointing outcome for Least Developed Countries (LDCs) including Bangladesh.

LDCs’ hectic move to extend the trade benefit for a few more years after the graduation from the UN-defined status did not get the necessary support in the multilateral trade negotiation forum as some developed and advanced developing countries had not agreed on extending the post-graduation benefits.

Though the outcome document of the ministerial conference acknowledged the concerns and limitations of the LDCs in global trade, there is no binding commitment to provide some trade benefits for the time being in the post-graduation era. (…)

TRANSPARENCY AND INCLUSIVITY

Josephine Phumisa, Media Institute of Southern Africa – Malawi Chapter

Do you feel the MC13 process is inclusive for smaller developing countries and/or your organisation? Why or why not?

The MC13 process inclusivity for smaller developing countries can be debatable. Small developing countries still have a number of concerns which need to be addressed at WTO to allow them to fully participate. Because of these issues, it is still challenging for small developing countries to fully participate and fully influence the decision-making process. However, there are mechanisms built in the WTO system which have assisted the participation of small developing countries such as the adherence to the principle of transparency and special and differential treatment in ongoing WTO negotiations.

How can the process be made more inclusive for smaller developing countries, non-member participants and non-state stakeholders?

The process can be made more inclusive by addressing the challenges of small developing countries in areas of capacity building and making the processes accommodative of the needs of these countries. For example, avoiding the scheduling of important meetings at the same time to allow small countries with limited human resources to participate actively.

What do you think are the main issues that MC13 is aiming to address? Are these important/relevant from your perspective?

MC13 is geared to address a number of key negotiating issues at the WTO. These range from agriculture, trade and sustainable development, trade and inclusivity, to e-commerce, WTO Reforms, etc. All these issues are important to all Members as the world is now more integrated than ever before. The world economy now needs trade more in addressing sustainable development issues and the ongoing global economic and environmental sustainability crisis to highlight a few.

Do you think that MC13 will be a success? Why or why not?

MC13 will be a success and will achieve outcomes on these issues, it might not achieve all, but the take home will be good. I am positive that the outcomes especially on agriculture will be a success bearing in mind that trade officials have already welcomed a draft on agriculture which they said could serve as a useful basis for the negotiations among WTO members ahead of the 13th Ministerial Conference (MC13). A text from the draft document reaffirms the complementary role agriculture production and trade play to ensure food security and includes as an immediate deliverable the possible exemption of food LDCs import for their domestic consumption from export restrictions. On top of that, the text also reaffirms the importance of special and differential treatment in favour of developing countries and includes the potential exemption of LDCs from any future farm support reduction commitments to be agreed in the negotiations. I see members prioritising this important issue, among others thereby contributing to the success of the conference.

I am positive that the outcomes especially on agriculture will be a success bearing in mind that trade officials have already welcomed a draft on agriculture which they said could serve as a useful basis for the negotiations.

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

The failure of MC13 would be an undesirable development for the multilateral trading system and the global economy. The system works for the betterment of economies worldwide and ultimately benefits the global commons. When the global trade rule book is crafted in a manner which provides for the inclusion and participation of developing and least developed countries, a large population of the world also benefits. This benefit spills over to all countries in the world. In addition to this, MC13 is a time for the WTO to show its relevance in dealing with real world challenges and to prove that it can deliver for the people.





WTO NEEDS COOPERATIVE APPROACHES

Alice Tipping, Director Trade and Sustainable Development, IISD

Do you feel the MC13 process is inclusive for smaller developing countries and/or your organisation? Why or why not?

When negotiations reach a Ministerial, they shift into warp speed. This makes it difficult for everyone, and especially difficult for small delegations which need to follow parallel discussions on many issues at once. Developing countries are included, but only a few are fortunate enough to have policy support to help them engage in the negotiations. For organisations like ours, it's just as difficult to follow the many drafts being tabled and circulated on different topics, and we are not even in the room!

How can the process be made more inclusive for smaller developing countries, non-member participants and non-state stakeholders?

There are no simple solutions to the lack of capacity and resources that many small developing countries' administrations struggle with. But making the negotiating process of the Ministerial, including sharing of information about when small group discussions are happening and on what topics would help, so that small delegations can prioritise their precious time as efficiently as possible.

What do you think are the main issues that MC13 is aiming to address? Are these important/relevant from your perspective?

MC13 is tackling a range of different issues at different levels. Some are immediate decisions for ministers. Agreeing on additional provisions to complete the Fisheries Subsidies Agreement would be a crucial step forward for sustainable development and the protection of the ocean, fisheries and the communities that depend on them. Committing to focused discussions on agricultural trade policy issues would signal an openness to properly address an issue of fundamental importance to developing countries. Finding a way forward on bigger issues like the inclusion (or not) of plurilateral outcomes into the WTO legal architecture would be ideal; it's a decision that can't be delayed much longer. More broadly, the overarching question for governments at MC13 is how they want to use

the WTO as a forum for cooperation. The organisation's agenda has evolved beyond the Doha Round, it's clear, but there are topics, like agricultural trade, that have remained stagnant too long and must move forward. The WTO needs a new, balanced agenda for the organisation's work.

Agreeing on additional provisions to complete the Fisheries Subsidies Agreement would be a crucial step forward.

Do you think that MC13 will be a success? Why or why not?

I think there is deal to be done on fisheries subsidies, if governments want to do it. The divides are political, but there are clear technical ways forward. The deal is not as ambitious an agreement as many, included I, wanted to see, but it's a further good step forward and should be taken. I'm also hopeful that we could see a commitment to more focused discussion on key topics in agriculture, but governments will need to decide to trust each other to get there. The broader agenda-building work is a longer-term task, but the fact that discussions on the environment, on industrial policy and on inclusiveness are on the agenda is a good development that should be built on.

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

The impact will be indirect, but important. Many large economies are moving towards unilateral measures rather than cooperative approaches, and are doing so (I believe) because they don't see the WTO as providing a forum where collective approaches to environmental issues, in particular, can be developed. If MC13 does not deliver some cooperative outcomes, this sense that they have to "go it alone" will only deepen, and it will become even harder to eventually draw policy directions back together when the costs of fragmentation begin to bite.

WHAT IS THIS?

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

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

IMPRINT

Friedrich-Ebert-Stiftung – Geneva office
6bis, Chemin du Point-du-Jour
1202 Geneva, Switzerland

Responsible

Renate Tenbusch, Director

Authors:

Daniel Bertossa, Secretary General, Public Services International
Josephine Phumisa, Media Institute of Southern Africa – Malawi Chapter
Alice Tipping, Director Trade and Sustainable Development, IISD
Rashid S. Kaukab, International Expert Trade and Development and Adjunct Faculty International Institute in Geneva (IIG)
Yvonne Bartmann, Friedrich-Ebert-Stiftung, Geneva office, Senior Program Officer, Trade and Development

Editorial Team

Rashid S. Kaukab
Yvonne Bartmann
Sabine Dörfler, Friedrich-Ebert-Stiftung, Geneva office, Assistant Program Officer, Trade and Development

Design & Layout

Shantala Gajek

To order newspapers: info.geneva@fes.de
Commercial use of all media publishing by the Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.

February 2024

**FRIEDRICH
EBERT
STIFTUNG**