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WTO AND MTS: THE FATE OF DOHA, THE AGENDA BALI MINISTERIAL AND BEYOND.

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OUTLINE

1. Why LDC Issues should be at the top of Priority to Resolve Despite the Current Impasse?
2. Plurilaterals- Threat to the MTS of WTO
3. Trade Facilitation (TF) Push as Stand-alone Issue for Bali MC9
4. 28 SDT Issues and Balance to TF
5. New Issues
6. LDC TRIPS Extension should not be tied to MC9.
7. EPAs
8. Way Forward to MC9

1. Why LDC Issues should be at the top of Priority to Resolve

- No balance is required for LDCs because of their negligible weight in the world economy.
 - The share of LDC exports in Service trade- 0.5; for exports in goods is 1% (less oil exports) is 0.5%;
 - LDCs put forward the proposal of DFQF m/a for their exports in the 1st WTO -MC in Singapore, 1996.
 - In the Millennium Declaration of 2000, the international community pledged to adopt a policy of DFQF m/a.
 - Most developed countries are implementing DFQF schemes and developing countries are also taking steps.
 - On Cotton issue in Hong Kong, WTO members reaffirmed their commitment to ensure having an explicit decision on cotton

2. Plurilaterals- Threat to the Multilateral System of WTO:

- Towards MC8 -concern about using the ITA and GPA as models for other sectors –happening in Services.
- Developing and LDCs tend to lose the SDT flexibilities
- LDCs may not be targeted to ‘join’ such agreements
- However, creating more of such plurilaterals such as ISA, will eventually lead to a “club” within a “club”.
- This has systemic implications for the WTO – if more and more sectors are dealt with in this way, it will erode the multilateral nature of the institution.
- Single Undertaking Principle will be undermined
- The multilateral nature of the WTO is unique and

3. Trade Facilitation (TF) Push as Stand-alone Issue for Bali MC:

- LDCs do not agree with "cherry picking" TF in its current form.
- For LDCs, any outcome on TF must ensure both internal and external development balance
- Acquisition of capacity to implement the TF rules and obligations is very important.
- LDCs should seek to have safeguards such as periodic implementation review mechanism in place as part of any TF outcome to assess the extent to which the implementation of the new TF rules and obligations are contributing to the overall sustainable economic development of developing and LDCs.

4. 28 SDT Issues and balance to TF

- 28 STD provisions were identified for early harvest in Cancun but not agreed upon.
- Rejected later by the Africa Group (July package and Hong Kong Ministerial) because of little or no value.
- Now brought back to the negotiating table.
- Most of the 28 SDT provisions have little value or no value.
- In this context the few SDT issues that are put forward to be adopted and the monitoring mechanism are inadequate-they need to be improved.
- For example, AoA Art. 15.2 exempting LDCs from reduction commitment; and TRIPS Art. 66.2.

5. New Issues

- Developed countries want to introduce New Issues, in place of completing Doha round.
- They include Singapore issues of investment and competition; energy security; climate change etc.
- Developed countries urge that, if we do not make way for the introduction of these issues, we would be holding back the WTO system from being updated and from being a relevant player in the 21st century.
- The 20th century issues ie the Implementation and SDT issues as well as the LDC Package issues should be resolved first;
- Regarding the Singapore Issues, paragraph 1g of the July Package of 2004 should prevail.

6. LDC TRIPS Extension should not be tied to MC9.

- Extension of the Transition period under Art. 66.1 of TRIPS Agreement ends on 01 July 2013.
- The economic situation of LDCs has not changed significantly-marginalisation has worsened
- LDCs need to keep flexibilities in accordance with Art. 66.1 as long as those constraints remain
- Art. 66.1 provides that the Council for TRIPS “shall, upon duly motivated request by a least developed country Member, accord extensions of this period”
- So, the extension is supposed to be automatic
- MC8 invited TRIPS Council “to give full consideration to a duly motivated request from LDCs”
- LDCs Grp tabled a draft Proposal of a “duly motivated” request to the TRIPS Council
- Need support from developing countries and other in March 2013 when the proposal will be discussed

- **8. EPAs are unfair and are a threat to MTS**
- EPAs undo all the flexibilities that were hardly negotiated under WTO such as :
 - LDCs are exempted from tariff reduction while under EPAs they are supposed to liberalize
 - The MFN clause of FEPA is contrary to the spirit of the WTO's Enabling Clause that proposes SDT for developing countries and South South trade
 - Developing countries in WTO are allowed to use Export taxes as a development tool but not under EPAs
 - Safeguards are not allowed under EPAs
- The AU has put forward an alternative plan and this should be supported.

7. Way Forward /Conclusion:

- MC9 should not be an end of the line but a stepping stone on a longer term roadmap leading to the conclusion of the DDR;
- Doha Development mandate should be respected and not eroded by the end of MC9;
- Outcome of the MC8 should be respected and be a basis for MC9;
- Full participation of all members, inclusiveness and transparency (FIT) should be maintained; and
- If early harvest of issues takes place, then should include LDCs issues that integrate them into the multilateral trading system (MTS).