

# BRIDGES SPECIAL UPDATE

Reporting from the WTO's Eleventh Ministerial Conference

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## WTO Ministerial: In Landmark Move, Country Coalitions Set Plans to Advance on New Issues

The WTO's Eleventh Ministerial Conference has drawn to a close, capping a busy week of talks which saw members only able to endorse limited substantive outcomes at the multilateral level. The last day also saw large groups of members confirm plans to conduct more structured work among themselves on e-commerce, investment facilitation, and micro, small, and medium-sized enterprises.

"We knew that progress here would require a leap in members' positions," WTO Director-General Roberto Azevêdo said at the closing ceremony on Wednesday, which started a few hours behind schedule as members sparred over final items. "Our work will go on after Buenos Aires. We can't deliver at every ministerial."

He also urged members to remember that multilateralism is not always about "getting what you want," but the best outcome that all can accept. Pursuing the former, he warned, is "a recipe for failure," while noting that announcements from various large group coalitions on new issues shows an "outbreak of dynamism in other areas."

Ministers were unable to reach consensus on a ministerial declaration, despite multiple drafts being circulated during the day in an effort to bridge remaining gaps. Sources said areas of disagreement including how and whether to reference the Doha Round and aspects of the 2015 Nairobi ministerial declaration, among others. Instead, ministerial conference chair Susana Malcorra issued a summary of the week's discussions under her own responsibility.

### Fisheries: Prepping for 2019

The ministerial decision on fisheries endorsed on Wednesday was ultimately structured around two main paragraphs, as expected on Tuesday evening. The two paragraphs direct members to continue talks "with a view to adopting" a deal by 2019, which is the year of the next ministerial conference and one year before a UN deadline under the Sustainable Development Goals (SDGs) to discipline subsidies to overcapacity and overfishing and eliminate those to illegal, unreported, and unregulated (IUU) fishing.

These future negotiations would build from [a text](#) circulated on 5 December with working documents on IUU fishing, overfished stocks, overcapacity, capacity-enhancing subsidies, and overfishing; notifications and transparency; and special and differential treatment, reflecting the negotiating work and different proposals from the Geneva process prior to the ministerial.

Malcorra told members at the closing ceremony that "Buenos Aires, without a shadow of doubt, will be remembered as a conference where the negotiations were seriously launched on fisheries," noting the level of activity and the decision to continue building on that work with a 2019 target was more action than the issue had seen in years.

Several WTO members who were advocating for an interim deal on disciplining subsidies at least to IUU fishing expressed frustration that these efforts failed to bear fruit.

"All WTO members have to face a simple fact: we failed to achieve all our objectives, and did not achieve any multilateral outcome. The sad reality is that we did not even agree to stop subsidising illegal fishing," said EU Trade Commissioner Cecilia Malmström in a [statement](#) issued at the day's close.

### Agriculture, development talks stumble

Ministers failed to agree consensus language on future work on agriculture, following US objections to a draft text which delegates had said was initially agreed mid-morning. Sources told Bridges that the US had objected to three main areas.

Firstly, they had opposed a clause referring to special and differential treatment for developing countries. Secondly, the US said it cannot accept references to paragraphs 30 and 31 of the 2015 [Nairobi ministerial declaration](#), which recognise WTO members disagree on reaffirming the 2001 Doha negotiating mandates, but also recorded members' commitment to advance talks on remaining Doha issues, including agricultural domestic support, market access, and export competition.

Thirdly, the US reportedly opposed the idea of dedicated negotiating tracks on public food stockholding and the special safeguard mechanism, arguing that the mandate for future work should be [Article XX](#) of the Agreement on Agriculture, which commits countries to continuing the reform process begun under the Uruguay Round.

The US had reportedly also opposed explicit mention of cotton negotiations – a clause added during the day after the C-4 group of West African countries opposed its omission in an earlier text.

A version of the draft text for a ministerial decision circulated Wednesday morning would have committed members to focus their work on the impact of WTO rules on development, through case studies, workshops, and sharing best practices. These would draw on the issues raised by the G90 coalition, made up of the African Group; African, Caribbean, and Pacific (ACP) Group; and Least Developed Country (LDC) group.

The earlier submission from the G90 prioritises 10 proposals, eight of which were raised in older discussions and two newer ones on technology transfer and LDC accession. Among the roadblocks were divides on the issue of differentiation, and opposition from the US given concerns over how development issues have evolved. US Trade Representative Robert Lighthizer had openly [criticised](#) in the opening plenary the nature of the current "understanding of development" in the global trade club, saying earlier this week that it "cannot sustain

a situation in which new rules can only apply to the few, and that others will be given a pass in the name of self-proclaimed development status.”

“We have come a long way in rationalising the original proposal by bringing the number of proposals down to 10,” commented an African trade diplomat. A developed country trade delegate told Bridges that developed countries sought to understand more concretely barriers facing developing countries, therefore demanding new approaches and evidence from the ground.

### Coalitions set to move forward on new issues

A series of joint ministerial statements were finalised on Wednesday by different coalitions of WTO members, specifically on the areas of electronic commerce; micro, small, and medium-sized enterprises (MSMEs); investment facilitation; and domestic regulation in services.

Over the past week, multilateral talks on e-commerce had focused on next steps for an existing e-commerce work programme, as well as the renewal of long-standing moratoriums on duties on electronic transmissions and [non-violation and situation complaints](#) under the WTO’s intellectual property rules.

Early in the day, sources said that the moratorium renewal talks appeared to have failed, amid reported opposition from India and Indonesia, only for officials to craft a deal in the ministerial’s final hours to renew both moratoriums for two more years. On the work programme, the [ministerial decision](#) both renews the electronic transmissions duties moratorium and says that members “will endeavour to reinvigorate our work and instruct the General Council to hold periodic reviews” over the coming two years and report back to the next ministerial.

A coalition of WTO members numbering some 70 countries, counting EU member states individually, [confirmed on Wednesday](#) that they would be starting “exploratory work together toward future WTO negotiations on trade-related aspects of electronic commerce,” with plans to hold a first meeting early in the new year. The statement said that the work would be open to any interested members, “and will be without prejudice to participants’ positions on future negotiations.”

The group includes economies of varying sizes and development levels, including among others Australia, Japan, Singapore, the US, the EU, Costa Rica, Australia, and Russia.

“[E-commerce] is a great leveller. It provides opportunities, for businesses and individuals to engage in global trade in a structured and meaningful way,” said Australian Trade Minister Steven Ciobo to reporters, explaining the widespread interest in these e-commerce discussions.

The US Trade Representative praised the outcome in a public statement issued Wednesday evening, suggesting approaches like these could play a valuable role in the global trade club.

“The launch of this initiative marks a significant milestone, with a large group of countries now working together to move forward in this important area within the WTO. Initiatives like this among like-minded countries offer a positive way forward for the WTO in the future,” [said](#) Lighthizer.

Another joint [ministerial statement](#) on MSMEs was released with the support of 87 countries, counting the EU’s members individually. The statement announced an “informal work programme” on the subject, aiming to look at various issues “of relevance to MSMEs,” including among others slashing trade costs and improving access to trade finance. Along with pledging to keep the group open to all interested participants and report back regularly in WTO forums, such as heads of delegation, the General Council, and future ministerials, they also said they would keep working at setting up a multilateral working group at the organisation. They would not, however, be aiming to launch negotiations, officials said.

On domestic regulation in services, around 60 countries have signed on to a joint [ministerial statement](#), reiterating their “commitment to advancing negotiations on the basis of recent proposals” as well as those that emerge in future WTO talks, while calling for an intensification of work. They also make reference to a separate [communication](#) that captures some of the different proposals on domestic regulation from the past year and notes their proponents.

A large group of countries comprising both developed and developing countries have also agreed and endorsed a joint statement to start “structured discussions with the aim of developing a multilateral framework on investment facilitation.”

“We recognise the dynamic links between investment, trade and development in today’s global economy,” reads the joint statement, which also articulates the need for global international cooperation in order to foster a more “transparent, efficient, and predictable environment” to facilitate cross-border investment and outlines what such a framework would aim to address.

Moreover, the statement specifies that the multilateral framework will not deal with market access, investment protection, or dispute settlement. Investment facilitation does not deal with those issues, but rather is about steps such as information sharing or making investment measures more predictable.

All together, the 70 countries which support this initiative represent 70 percent of global trade, officials said.

“We will expand that consensus,” said Ambassador Chiedu Osakwe to reporters. Osakwe serves as Nigeria’s chief trade negotiator.

### South Sudan to begin accession process

The country of South Sudan is now set to begin formal talks to join the WTO, after members agreed to establish an accession working party. The nation’s request for observer status was first initiated in December 2012, and moving forward on accession talks was discussed at the level of heads of delegations during the conference.

Members welcomed the conflict-affected and fragile state’s move to join the global trade club, though the process will require complex talks at both bilateral and multilateral levels to determine accession terms. Experts have noted that such a process can be challenging for resource-constrained countries with limited capacity, given the significant domestic reforms also involved.

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