



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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WTO Trade Ministers Reflect on Way Forward in Davos

Trade Ministers and senior officials from 29 World Trade Organization (WTO) countries¹ gathered in the traditional informal mini-ministerial meeting in Davos (Switzerland) on the sidelines of the January 23-26 World Economic Forum.

The meeting, which took place the last day of the forum, aimed at starting “a dialogue on the way forward” following the 11th WTO Ministerial Conference (MC11) held last December in Buenos Aires (Argentina).

Participants at the meeting acknowledged the “positive outcomes” achieved at the MC11 – i.e. fisheries subsidies and the adoption of joint ministerial statements on micro, small, and medium-sized enterprises (MSMEs); e-commerce; investment facilitation; services domestic regulation; and women and trade – but remained relatively disappointed by “the lack of further multilateral outcomes.”

“Despite the energy and activity we saw on various issues at MC11, clearly the overall outcome was disappointing,” said the WTO Director General, Roberto Azevêdo.

Trade ministers pledged to pursue their “active engagement in view of preserving and further developing the multilateral trading system.” This should start with the completion of the negotiations on fisheries subsidies by 2019, officials said.

“We need to face up to the problems before us. Everyone seems ready to pledge their support for the system. But while political support is essential, it is not sufficient. Words need to be matched by deeds. If we believe in multilateralism, we have to be ready to take the steps needed to make it work,” Azevêdo added, stressing that Members needed “to find ways to avoid repeating

unsuccessful approaches, and reaching the same unsatisfactory result.”

Ministers’ reflection on the way forward will continue on March 19-20, 2018 in New Delhi as India invited Members to gather informally to address key matters where major differences still persist. This brainstorming will also include questions related to the WTO’s regular bodies, and in particular, the appointment of new Appellate Body Members as the U.S. continues to reject proposed solutions.

The “need to re-engage in negotiations on a range of longstanding issues relevant to Members” has also been raised by participants at the Davos informal gathering. How to avoid what prevented Members to progress in the negotiations thus far as well as “how to take into account different and evolving levels of development of Members” will also have to be addressed by ministers in coming gatherings.

There are significant challenges lying ahead, the group acknowledged. As Azevêdo pointed out “after MC11 it can’t just be business as usual.” Members need to reflect in an active way “to find ways to avoid repeating unsuccessful approaches, and reaching the same unsatisfactory result.”

Support for trade and the multilateral trading system came up in several speeches by key leaders including German Chancellor, Angela Merkel, and French President, Emmanuel Macron. Even U.S. President, Donald Trump, claimed that his country was “open for business” and that the so-called “America First” motto “does not mean America alone.”

¹ Argentina, Australia, Brazil, Cambodia, Canada, China, Colombia, Costa Rica, the European Union, Guyana, Hong Kong, India, Indonesia, Japan, Kenya, Korea, Mexico, New Zealand, Nigeria, Norway, Pakistan, Russia, Saudi Arabia, Singapore, South Africa, Switzerland, Thailand, Turkey, and the U.S.

“We cannot have free and open trade if some countries exploit the system at the expense of others. We support free trade, but it needs to be fair and it needs to be reciprocal. Because, in the end, unfair trade undermines us all,” Trump said on January 26th in what was perceived by many as a direct shot to emerging countries, particularly China, that have benefited from globalization and which are still describing themselves as developing countries in the context of the WTO.

“As the United States pursues domestic reforms to unleash jobs and growth, we are also working to reform the international trading system so that it promotes broadly shared prosperity and rewards to those who play by the rules (...) We will enforce our trade laws and restore integrity to our trading system. Only by insisting on fair and reciprocal trade can we create a system that works not just for the U.S., but for all nations,” Trump said.

On the TPP, which last week saw the 11 remaining countries agreeing to sign the deal – rebranded as Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) – in March, the U.S. president said his country “is prepared to negotiate mutually beneficial, bilateral trade agreements with all countries. This will include the countries in TPP, which are very important. We have agreements with several of them already. We would consider negotiating with the rest, either individually, or perhaps as a group, if it is in the interests of all.”

Many trade observers interpreted this as leaving the door open for the U.S. to reconsider making a return to the CPTPP.

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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