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“It was the best of times, it was the worst of times.” This month, Dickens’s opening line of *A Tale of Two Cities* resonated repeatedly in the WTO corridors and meeting rooms. WTO staffs, delegates, negotiators expressed awareness that times of crisis are not easy times, but they are also times to rethink the past with an eye to the future.

Trade Updates

General Council: March stocktaking to “inject political energy and momentum” in the negotiations

Geneva, 22 February

Director-General Pascal Lamy, in his report to the General Council on the state of play in the Doha Round, said that “although some progress is taking place, gaps remain”. He reminded delegates that at the 7th Ministerial Conference in December, Ministers were unanimous in calling for 2010 to signal a change of gear. He suggested that the stocktaking at the end of March be undertaken by senior officials, a process which had proved important in the last quarter of 2009. He concluded by adding that “the Geneva process remains ready to translate political movement into concrete and substantive progress.”

Lamy says trade can have a positive impact on job creation during economic downturn

Brussels, 24 February

Speaking at the European Policy Centre in Brussels, Director-General Pascal Lamy announced that trade volumes have contracted by around 12% in 2009, the sharpest decline since World War II. The reasons for the dive are to be found in the simultaneous reduction in aggregate demand across all major world economies as well as in the drying up of trade finance, explained the WTO Director-General. The forecast for 2010 is that of a “jobless recovery”, as the International Labour Organization records an all-time high in global unemployment. In addressing employment concerns, Mr Lamy illustrated the positive links between trade and job creations. He noted that keeping trade open – and keeping opening trade – is the only viable solution. In fact, while the effects of national stimulus packages are already fading away, trade can provide economies with a long-lasting source of growth. One year from the onset of the crisis, “the multilateral trading system has proven its sturdiness as a bulwark against runaway protectionism,” said Mr Lamy. However, new energy needs to be fuelled into the system. A Doha deal would provide new market opportunities through the reduction of tariff barriers and domestic subsidies. It would also reduce the fixed costs of trading by addressing, for example, customs procedures and red-tape. And, most importantly, it would provide more certainty in trading arrangements by securing binding commitments from member countries. Today more than ever, the conclusion of the Doha Development Round is an economic imperative.



WTO Director-General, Pascal Lamy

Coming events

- **6-8 April**
Trade Policy Review – Armenia
- **28-30 April**
Trade Policy Review – Albania
- **5-6 May**
WTO General Council
- **10-12 May**
Trade Policy Review – China

Parliamentarians and the WTO

WTO Director-General meets the Australian Friends of Trade: “Doha is still doable”

Canberra, 9 February

During a trip to Australia, Director-General Pascal Lamy was invited as a guest speaker at the Friends of Trade parliamentary lunch hosted by Australian Trade Minister Simon Crean. The meeting saw an open discussion on issues ranging from the Doha Round of negotiations to protectionism. Mr Lamy remarked that “Australia is probably one of the best examples of trade opening working for the population” and the meeting with the Friends of Trade – a group within the Australian Parliament that advocates and supports trade – has reconfirmed once more the Australian efforts towards a successful Doha Round. Answering a question on the likelihood of a Doha agreement by the end of the year, the Director-General responded that “at a technical level, as an expert of trade negotiations with a bit of experience, I can tell you that it is doable.”

Lamy at a meeting with the Committee on International Trade of the European Parliament

Brussels, 23 February



Pascal Lamy with Jerzy Buzek, President of the European Parliament. Photo European Parliament

This February, Director-General Pascal Lamy, gave a presentation at the Committee on International Trade of the European Parliament on the state of play of the Doha Round negotiations. He commented on the Lisbon Treaty as an instrument empowering the European Parliament and ensuring a higher degree of legitimacy to the European Union as a

whole. Now “the European Parliament is an actor on its own right,” he said.

Mr Lamy’s address touched on the role of the WTO in times of crisis and where the organization stands one year on. Looking at 2010, he renewed his call for speeding up the conclusion of the Doha Round and for keeping the spotlight on trade finance and Aid for Trade. In a longer-term perspective, the issues on the WTO to-do list include the articulation between regional trade agreements and the multilateral trading system and a better understanding of the links between trade and other issues of international concern.



Pascal Lamy speaking at the Committee on International Trade of the European Parliament. Photo European Parliament

Photo WTO Forum 2008

WTO receives the visit of the Norwegian Parliament

Geneva, 24 February



Keith Rockwell, Director of WTO Information and External Relations Division

On 24 February, Keith Rockwell, spokesperson of the WTO, welcomed a group of parliamentarians from the Norwegian Standing Committee on Foreign Affairs and Defence. After reiterating the value of parliamentarians' legislative role for the WTO, Mr Rockwell briefed the group on the state of world trade and on the latest issues on

the agenda of the Doha negotiations. The visit resulted in an interactive discussion on the role of the big players in pushing forward the Doha Development Agenda. The briefing also addressed the impact that external events, such as the "non-result" of the Copenhagen Summit or the 12% plunge in trade, might have on the outcome of the negotiations; as well as broader issues of trade and climate change, and trade and employment.



Norwegian Parliamentarians in visit to the WTO

Lamy at a hearing of the Finance Committee of the French Senate

Paris, 25 February

Travelling back to his native France, Director-General Pascal Lamy offered his view to the French Senate on the issues at stake in world trade. Despite the comforting idea that world economy is presently as open as it was in the pre-crisis period, he warned that, against the prospect of a jobless recovery, the WTO needs to remain vigilant against surges of protectionism. The role of the WTO for 2010 will be to close the Doha Round of negotiations, continue the trade policy monitoring exercise, revitalise trade finance, enhance cooperation on Aid for Trade and pave the way for future issues. Under the moderation of Mr Jean Arthuis, president of the Finance Commission, the WTO Director-General engaged in a debate with the members of the Commission that touched upon the establishment of a carbon inclusion mechanism (CIM) and on the importance of addressing the bias introduced by the current methods of calculating international trade flows.

Events at the WTO

WTO Symposium on the Agreement on Government Procurement (GPA)

Geneva, 11 and 12 February

In opening the GPA Symposium, the WTO Director-General noted how the Government Procurement Agreement is in the process of acquiring increasing importance as it represents "a paradigm example of a trade opening instrument that also recognizes the need for governance mechanisms." There are various factors speaking for its mounting significance: its growing membership and the underway negotiations, the importance of public spending in the context of the

economic crisis, concerns over the implementation of buy-national policies, and the progress on procurement reforms in many non-GPA Parties. The Symposium represented an opportunity to examine the highlights of the revised GPA text, including its measures for acceding developing countries, as well as future issues that will require the GPA attention for the years to come. Its relevance was enhanced by the announcement made the previous week of an agreement-in-principle between Canada and the US that marks as an important step forward in expanding mutual access to each other's procurement markets. It was felt that the agreement could help to unblock the more general GPA coverage negotiations.

Trade Policy Reviews

EL SALVADOR 10 and 12 February

The WTO Secretariat report on the trade policies and practices of El Salvador has found that the country has continued to liberalize its trade regime since its previous review in 2003, and has made progress in modernizing customs, eliminating unnecessary licensing requirements, enhancing the transparency of technical regulations and SPS measures, and strengthening the institutional framework for competition policy and government procurement. As part of its liberalization efforts, El Salvador has also entered into three new preferential trade agreements and continues to assign high priority to deepening Central American integration.

Negotiations

Agriculture consultations, useful and more needed

Geneva, 1 and 12 February

At the end of a fortnight of negotiations, New Zealand Ambassador and chair of the Agriculture negotiations, David Walker, commented on the usefulness of the consultations on remaining issues. However, he said, "there's on-going work to be done". The meetings with smaller groups of members covered four topics: the special safeguard mechanism (SSM), tariff simplification, tariff quota creation, and tropical products and products enjoying preferences. Meanwhile, gradual progress was made in the separate technical work on "templates" and data.

Industrial goods negotiations focus on "priority" non-tariff barriers

Geneva, 5 February

After an intensive "NAMA week", the chairman of the Negotiating Group on industrial goods (NAMA), ambassador Luzius Wasescha, of Switzerland, reported on a "good discussion" on the priority non-tariff barriers (NTBs) and the Horizontal Mechanism to prevent and solve disputes.

Dispute Settlement within the WTO

Under the spotlight of the Dispute Settlement Body:

- » 17 February Appellate Body issues Annual Report
- » 18 February Panel report adopted on US-Thai plastic bags
- » 18 February EU sanction request referred to arbitration in US zeroing

We would like to hear from you:

WTO - Information and External Relations Division
Rue de Lausanne 154 - 1211 Geneva, Switzerland
wto4mps@wto.org
<http://www.wto.org>

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wto4mps@wto.org

Outreach activities

- 7-8 April
Meeting with MPs from Nepal
- 5-7 May
Regional workshop for Asian MPs, Singapore