



WTO OMC

# WTO NEWSLETTER FOR PARLIAMENTARIANS

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## Special Focus: 7th WTO Ministerial Conference “The WTO, the Multilateral Trading System and the Current Global Economic Environment”

### Day 1: “Unity is strength”

Monday, 30 November

In opening the 7<sup>th</sup> Ministerial Conference, Director-General Pascal Lamy stressed how in the face of the insecurity and instability that has hit the world economy in the year 2009, the multilateral trading system has remained firm and showed its value, functioning as an insurance against protectionism and beggar-thy-neighbour policies. The resilience shown demonstrates that the WTO can act as “an important plank in the platform for recovery.” But trade, although necessary, is not sufficient. On one hand, it needs to be rooted in a “bedrock of domestic policies”. On the other, it needs collective determination to strengthen the system through the conclusion of the Doha Round. In concluding, the DG surprised the audience citing a proverb in Chinese, “Zhong Zhi Cheng Cheng”: Unity is Strength, and hoped that “we come out of the next few days stronger, more united and with a clear determination to conclude the Round in 2010.”

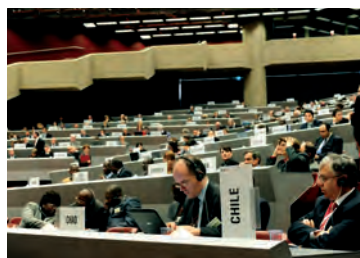


WTO Director-General Pascal Lamy speaking at the 7th Ministerial Conference

### Day 2: A roadmap for a speedy conclusion of the Doha Round

Tuesday, 1 December

At the first working session on the “Review of WTO activities, including the Doha Work Programme”, there was general acknowledgement that a lot has been achieved in the Doha Round of negotiations. However, to reach the 2010 deadline, the pace of negotiations needs to be sped up, ministers should bridge the gaps on outstanding political questions and senior officials will need to delineate a roadmap for future work. All of this, while retaining the development dimension of the Round. The session also addressed the proliferation of bilateral and regional agreements as a concern for the multilateral trading system. Accession was recognized as an important tool to broaden and strengthen the WTO, but discordant views were expressed on how to advance the issue. Finally, Aid for Trade was deemed highly important as it addresses supply-side constraints and other bottlenecks that the provision of market access alone cannot solve.



Delegates at the 7th Ministerial Conference

### Day 3: Political energy for Doha Round

Wednesday, 2 December

The second working session focused on “the WTO’s contribution to recovery, growth and development” and reiterated the resilience shown by the trading system in the face of the crisis. Some proposals were made on how to improve the way the WTO functions and enhance its transparency for farmers, businesses and parliamentarians. In a press conference, DG Pascal Lamy expressed satisfaction for the renewed political energy that Ministers had fuelled into the system. Decisions were made to extend “moratoriums” on electronic commerce and intellectual property until the next Ministerial, which will be held in 2011.



Delegates at the 7th Ministerial Conference

### ... On the sidelines of the Ministerial

#### Members of Parliaments meet Deputy-Director-General Valentine Rugwabiza

Geneva, 1 December

The Inter-Parliamentary Union (IPU) and the European Parliament organized a day event on the WTO at the IPU Headquarters in Geneva. The event saw the participation of Deputy-Director-General Valentine Rugwabiza and EU Commissioner Mariann Fischer Boel. After presenting parliamentarians with the state of play in the DDA and explaining the purpose of the Ministerial Conference as an attempt at closing the gap between the political will and the reality of the negotiating table, DDG Rugwabiza addressed the



WTO Deputy Director-General Valentine Rugwabiza

concerns raised by the members of parliaments present at the event. The discussion revolved particularly on the benefits of trade liberalization for developing countries, problems of capacity-building and the linkages with the climate change negotiations in Copenhagen. DDG Rugwabiza reiterated that the Doha Round is about reconciling trade liberalization and development and, indeed, it is now developing countries that are calling for progress in the negotiations. However, for benefits to materialize, there are pending capacity-building issues to be addressed. On parliamentarians’ accreditation to the Ministerial, she recommended some concrete steps for parliamentarians to make their voice heard: (1) continue engagement with the Chair of General Council; (2) widen and intensify engagement with trade ministers and ambassadors.

### Coming events

- 7-9 January  
Parliamentary Workshop for Francophone Africa, Yaoundé, Cameroon
- 18-19 January  
Meeting with MPs from Bangladesh
- 25-27 January  
Meeting with MPs from Nigeria
- 28 Jan - 1 Feb  
World Economic Forum Annual Meeting, Davos, Switzerland
- 3-4 February  
WTO General Council
- 4-6 February  
Trade Policy Review Body — Guatemala

Photo WTO Forum 2008

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**9-10 February**  
Meeting with MPs from  
Nepal

• **18-20 February**  
Trade Policy Review  
Body — Japan



EU Commissioner Mariann Fischer Boel

“Let’s be frank trade is highly political and very controversial” added Commissioner Fischer Boel, who made the case for MPs to be fully involved in the trade discussion. Parliaments need to be able to communicate to their constituencies that trade is a win-win framework of action. The WTO has managed to resist the storm of the crisis, she concluded, so it deserves public recognition for the role it has played in monitoring the threat of protectionism.

### Developing countries agree on slashing tariffs on South-South trade

*Geneva, 2 December*

On the margins of the 7<sup>th</sup> WTO Ministerial Conference, over 20 developing countries Ministers concurred to advance an agreement under the Global System of Trade Preferences (GSTP). Under the Chairmanship of Jorge Taiana, Minister of Foreign Affairs and International Trade of Argentina, the participating countries adopted a decision on “modalities” for cutting tariffs in the trade they carry out with each other. On the basis of this decision, negotiating countries could offer tariff reductions of at least 20% on around 70% of the goods exported within this group of nations. A timeline was set to conclude the agreement by the end of September 2010.

The GSTP was established in 1989 as a mechanism for promoting south-south cooperation and stimulating trade between developing countries. The system allows for preferential tariff concessions and other measures of cooperation between the 43 countries party to the negotiations. Negotiations were initiated in 2004 at the “Sao Paulo Round” under UNCTAD’s coordination.

### Activities at the WTO:

#### Historic deal on banana dispute

*Geneva, 15 December*

Latin American banana producing nations, the United States and the European Union broke a deal that puts an end to the 16-year-old dispute over trade in bananas. DG Lamy welcomed the conclusion of what he himself defined “one of the most technically complex, politically sensitive and commercially meaningful legal disputes ever brought to the WTO.” The deal implies for the EU to reduce tariffs on bananas from Latin American countries in return for Latin American countries dropping their WTO case. Ecuador welcomed the deal as a victory for all Latin American nations, while for Pascal Lamy the deal “proves there is no trade issue which lies beyond the reach of WTO members when they exhibit good will and a spirit of compromise.” He then wished to see “the same pragmatism, creativity and diplomacy” in moving forward the Doha Round negotiations.

### Lamy calls for exit strategies on temporary trade restrictions and subsidies

*Geneva, 20 November*

Director-General Pascal Lamy, in his annual report on trade and trade-related developments in 2009, said that “although there have been instances of slippage, in general terms the world economy is about as open for trade today as it was before the crisis started.” He called on members “to devise and announce exit strategies to remove trade restrictions and production subsidies that they have introduced temporarily to counteract the effects of the crisis, and start implementing those strategies as soon as domestic economic recovery takes hold.”

### Trade Policy Reviews

*SOUTHERN AFRICA Customs Union 4 and 6 November*

Since the previous review in 2003, SACU members (Botswana, Lesotho, Namibia, South Africa and Swaziland), have collectively expanded at an average annual rate of about 4% in real terms, although this growth has been somewhat erratic mainly reflecting infrastructure and other constraints. While noting that the South African economy, the biggest and most advanced of the Union, remains relatively diversified, the WTO Secretariat report also notes that the principal policy imperative faced by the other SACU countries remains diversification away from the current key export products.

*SENEGAL and NIGER 11 and 13 November*

Since the previous joint review of their trade policies in 2003, the economic performance of Niger and Senegal has been similar, with an annual average rate of growth of 5%. The report notes the efforts undertaken by both countries for economic integration in the frames of the West African Economic and Monetary Union and the Economic Community of West African States and it underlines the importance of external aid and technical assistance to enable the two countries to strengthen their WTO commitments and support their strategy aimed at achieving the Millennium Development Goals, in particular the reduction of poverty.

*GEORGIA 8 and 10 December*

The WTO report on the trade policies and practices of Georgia found that the country’s recent economic policies have met with considerable success guided by reliance on the private sector for growth in a liberalized trade, investment and business environment, in what has been one of the world’s fastest reforming economies.

## Negotiations

### Lamy outlines roadmap to Doha stocktaking in March

Geneva, 17 December

Director-General Pascal Lamy, in his report to the General Council on 17 December 2009 as chair of the Trade Negotiations Committee, said members should reserve the last week of March next year for stocktaking to assess whether concluding the Doha Round in 2010 "is doable". Expressing the hope that "2010 is the year in which we build on the foundations for a safer global economy," he said that "we can and must make our contribution through clinching a Doha deal".

## In Brief

### 20 November **Agriculture negotiations: Negotiators focus on data gaps**

As WTO agriculture negotiators continued to progress on some necessary technical tasks, chairperson David Walker urged them to meet their deadline for submitting missing data.

### 25 November **Rules negotiations: Overview**

The Chair of the Negotiating Group on Rules, Amb. Guillermo Valles Galmés, at an informal meeting with the presence of Senior Officials and Heads of Delegations, recalled the history of the Rules negotiations and suggested possible ways forward. He also touched on fisheries subsidies.

### 27 November **Intellectual Property negotiations: Chair suggests way forward**

Out-going chairperson Trevor Clarke recommended 5 guiding principles for WTO members' efforts to conclude their negotiations on a multilateral register of geographical indications (GIs) for wines and spirits: (1) aim at facilitating protection for wines and spirits, not at increasing protection; (2) usefulness and meaningfulness for members; (3) preservation of the territorial nature of intellectual property rights; (4) no heavy financial and administrative burden; and (5) special treatment for developing countries.

### 10 December **Non-agricultural market access negotiations: Industrial goods chair praises members for hard work on non-tariff barriers**

After asking for updated and refined text-based proposals on the 6 November, the chairman of the industrial goods negotiations, ambassador Luzius Wasescha, praised the engagement and hard work shown by delegations during intensive talks on ways to solve the problem of non-tariff barriers to trade.

## Dispute Settlement within WTO

### WTO disputes reach 400 mark

Geneva, 6 November

On the eve of its 15th "birthday", the WTO earlier this month reached the milestone of having the 400th trade dispute brought to the body's dispute settlement mechanism. "This is surely a vote of confidence in a system which many consider to be a role model for the peaceful resolution of disputes in other areas of international political or economic relations," said Director-General Pascal Lamy to mark the occasion.

### Appellate Body welcomes new member

Geneva, 19 November

Mr Peter Van den Bossche (European Union) was sworn-in on 19 November 2009 as a Member of the Appellate Body at a ceremony at the WTO.



Mr Peter Van den Bossche

The Appellate Body is responsible for hearing appeals of WTO panel reports. It is composed of 7 Members who are appointed by the Dispute Settlement Body (DSB). Each Member is required to be a person of recognized authority, to be unaffiliated with any government and to be broadly representative of the Membership of the WTO.

### Under the spotlight of the Dispute Settlement Body:

- » 19 November Authorization granted to Brazil to impose countermeasures against the US in the "cotton" case
- » 19 November Single panel established to examine complaints by Canada and Mexico on the US country of origin labelling (COOL)
- » 19 November Panel to examine the US complaint on EC measures on imports of poultry meat

### We would like to hear from you:

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