

**Parliamentary Conference on the WTO
14 June 2016 (10am – Council Room)
Talking Points of the WTO Deputy Director-General,
Mr. Karl Brauner**

Excellencies,
Honourable members of Parliament,
Ladies and gentlemen,

It is a great pleasure for me to be here this morning.

I have had the opportunity to meet with some of you in different settings.

I have great respect for your work.

It is you from whom our work derives its legitimacy.

In my old job in the German government I had extensive experience with our national members of Parliament. I have been on trade policy dossier since the launch of the Doha Development Agenda and since then I have regularly been accompanied to all WTO Ministerial Conferences by members of Parliament.

When I say that I am pleased to be here, I really mean it. Whether you are pleased to see me here should be decided by you in one hour's time.

I think I know a bit how you feel. You expected the DG but now you get a DDG. It is like going to a concert where you expect Mick Jagger and then Tom Jones sings.

But let us give it a go.

During your opening session yesterday, I sat up in the gallery and listened to the address of the chairman of the General Council.

I also listened to the presentations of the ambassadors during the third session.

I did this because I wanted to make sure that you do not have to hear a repetition.

And as a humble servant of the Secretariat, I also wanted to make sure that I do not contradict them.

What future for the WTO?

I know you want to talk about post-Nairobi work but let me start with a few preliminary remarks.

The WTO is in a fairly good shape. If people see it differently, it is because they have the wrong expectations.

As DDG I am in charge of general administration, budget & finance, and also the first instance of the dispute settlement mechanism.

The members make extensive use of it. We have now processed more than 500 complaints.

In more than hundred cases, the initial consultations led to a mutually agreed solution. The panels have produced roughly 170 reports and The Appellate Body has issued more than 120 reports.

We are fast and cost efficient.

If you exclude a few outliers, parties get the decision within 15 months from the panels and within 90 days from the Appellate Body.

None of the national judicial systems that I know offer such a swift service.

We are also cost efficient.

We do not charge the users. Parties do not have to pay, neither the claimant nor the respondent.

And we have provided an ever more demanding service without any budgetary increase since seven years. The budget for 2017 is the seventh in a row with zero nominal increase.

At the same time, we have shifted considerable resources away from other divisions in the Secretariat to the dispute settlement system.

In fact, we have allocated 29 additional posts to the two legal divisions and the Appellate Body Secretariat.

We have done this because of a high demand from the members. There was a clear political priority on stabilising the dispute settlement system and we have responded to it.

And I think we are successful. I say this in view of the fact that we have a very good compliance rate of over 90%.

We currently have an issue at the Appellate Body which is deplorable and a solution must be found. But the crisis mood there should not deviate from the fact that over 20 years we have been very successful and earned an ever increasing appreciation.

You will hear more of the dispute settlement system this afternoon from Valerie Hughes, the director of one of the divisions that handle disputes.

We are also successful in monitoring the trade policies of the members as our Members are at intervals subjected to trade policy reviews.

The WTO Secretariat draws up a factual report. This report is discussed among the members and the members relentlessly put questions to the subject country. This has an impact on the trade policies of the countries.

In fact, I have experienced that a Minister asked me whether we could change our schedule for the trade policy review report

and move the review of his country to an earlier date. He needed that review to support his domestic reform agenda.

In this context, I would also like to mention the WTO's monitoring of protectionist measures. It has been very effective in times of crisis to curb the appetite of member states for protectionist measures.

Let me make a third point.

The Secretariat is producing valuable contributions to international economic research. Our work on global value chains has not only had an impact on the academic discussion but also on development strategies of developing countries and LDCs.

Last but not least, I want to mention our aid for trade activities that help developing countries to make use of the rules guided multilateral trading system.

When you talk about post-Nairobi, you want to speak about a negotiation agenda.

Let me state on the outset that this is my personal opinion. I do not know whether the DGs, past and present, would completely agree.

I think it was a mistake to put such an emphasis on the negotiations that take place during each ministerial conference.

Yes, the WTO has the negotiation arm. But these negotiations should take place on a permanent basis in the committees.

The ministerial conferences were designed to be a regular biennial event where you take stock of what happened during the last two years and look ahead to the next two years. In the days of the GATT, ministerial conferences were historic events. They were organised when developments had progressed to a level where a historical meeting was warranted.

Under the rules of the WTO, we routinely have ministerial conferences and each time we try to blow them up to a historical event. This may be the wrong way around.

The expectation management fell for the temptation to try to secure attention for the WTO by stylizing the ministerial conferences to be historic events. This, to my mind, is a dangerous approach.

Now, we have been successful twice in Bali and in Nairobi. But does this warrant again to look for a package that must be approved at the next conference?

Should the success or the failure of the WTO as a whole again be judged on the outcome of a single ministerial conference?

I have demonstrated to you that we have a lot more to offer than the drama of a ministerial conference.

Yesterday, the chairman of the General Council told you that the members have not yet found the path - those were his words - how to proceed after Nairobi.

We are a member driven organization, it is the collective will of our members that decides on the way forward. Yet, there are some elements of certainty which have been very well captured in the Outcome Document as drafted by Mr. Lange and Mr. Bidegain.

The members must work on a permanent solution on public stockholding for food security. There should be a speedy adoption of a proposal for the Special Safeguard Mechanism.

You, the members of Parliament, play in your home countries a decisive role in a swift conclusion of the ratification processes of the Trade Facilitation Agreement.

It is of utmost importance that the Information Technology Agreement is implemented.

Development stays at the heart of the WTO proceedings. New export opportunities for LDCs service providers under the LDC service waiver must be created and the simplification of the rules of origin must help LDC exporters.

Although there is a disagreement on the Doha Development Agenda as such, there is a general willingness to negotiate remaining issues.

Thus, we actually have a lot on the plate. Digesting all that would in itself create a success.

The members may therefore still take some time to determine what exactly they would like to negotiate when it comes to new issues, such as e-commerce, digital trade, investment and relationships with other international organisations. Currently, they are looking at MSMEs, which for me was a new term – micro, small and medium enterprises.

We are very pleased that business after the successes of Bali and Nairobi has taken a renewed interest in the work of the WTO. Two weeks ago, we had an intensive exchange here with representatives of the International Chamber of Commerce and with the B20.

It is important and encouraging for us, but even more so is your continuous involvement. You, the parliamentarians, have the greatest influence on the governments of your home countries. You are instrumental in shaping and changing the positions of your various governments. You drive the members that drive the WTO. Therefore, we, the Secretariat very much welcome your guidance.

Thank you very much for your attention.