

Virtual Trade Dialogues meeting: Summary of points raised by business representatives

The International Chamber of Commerce and the WTO hosted a virtual Trade Dialogues meeting on 23 June 2021 to facilitate discussions between business representatives and selected WTO members on issues that business leaders would like to see addressed at the WTO.

The virtual meeting focused on three topics: the WTO response to COVID-19; deliverables for the 12th Ministerial Conference (MC12); and the future work programme for the WTO. A summary of the issues raised at the meeting is provided below.

WTO response to COVID-19

Representatives of the pharmaceutical industry discussed the role of the WTO and its rules-based system in combating COVID-19 and possible future health crises. Participants focused, in particular, on how the WTO could facilitate the role of the private sector in the fight against the pandemic.

Pharma representatives underlined the urgent need for transfer of technology, know-how and skills as well as for the establishment of regional vaccine manufacturing facilities to ensure rapid and equitable access to vaccines for all. They highlighted the need to fight against "vaccine nationalism" by eliminating export restrictions and tariffs on pharmaceutical and other COVID-19-related medical products. They also called for improving and streamlining customs procedures.

Participants stressed the importance of having production capacity in various locations across the developing world and of leveraging unutilized facilities so that vaccine production can be increased. The main objective should be to increase as much as possible the number of doses being manufactured. To achieve this, strong political leadership is needed, they said. In their view, there is not an issue with protection of intellectual property rights but with manufacturing capacity. Even if a patent is shared, it can be very difficult to manufacture a vaccine without the required know-how, they said.

Enhancing human capital to produce the high-quality vaccines required by highly regulated markets was also addressed, as was the importance of putting in place shared "artificial intelligence models" of the global supply chain - without the pooling of sensitive data - to help make trade safe, legal, inclusive and resilient.

MC12 deliverables

Business representatives stressed the importance of ensuring that the WTO continues to function as the global trade authority and that it continues to be relevant in addressing trade issues of the future. MC12 would be a good opportunity to signal the responsiveness of the institution through key agreements in both multilateral and plurilateral channels.

Some concern was expressed about overloading the MC12 agenda with expectations for several immediate deliverables. Instead, work programmes to guide further engagement in the coming years - for example, on e-commerce and on health - could be sufficient to ensure that the WTO is on a successful trajectory towards delivering outcomes.

Participants called for the conclusion of a fisheries subsidies agreement to strengthen the WTO's credibility. Interest was also expressed in having businesses provide complementary support - for example, through purchasing decisions, to help deter harmful subsidizing of fishing.

Participants said that the COVID-19 pandemic has put increasing pressure on the participation of micro, small and medium-sized enterprises (MSMEs) and of women in trade.

Action to improve trade finance, digital connectivity and logistics networks could help MSMEs and women entrepreneurs recover from the pandemic and participate in global trade on an equal footing. De minimis thresholds to exempt low-value shipments from customs duties would also benefit small players, participants said. Such MC12 deliverables for MSMEs and women would provide them with

opportunities to pivot towards more lucrative markets and benefit more fully from trade in the aftermath of the COVID-19 crisis.

The WTO must follow through on the implementation of the Trade Facilitation Agreement (TFA). Despite its entry into force and members' respective ratifications, full implementation of TFA provisions has yet to be achieved. A review of implementation progress is necessary, as is the continued prioritization of this work on the WTO's agenda, said participants.

Business representatives called for WTO members to resolve the impasse over the appointment of Appellate Body members to signal the resumption of the organization's full functionality.

Future work programme

Participants said the WTO must not fail in restoring an effective dispute settlement system, in updating its trade rules, in addressing the growing importance to global trade of e-commerce, and in meeting the challenges and opportunities posed by climate change and sustainable development.

They clearly stated that business needs an effective WTO, and its reform is critical to ensuring that the organization remains relevant.

There was recognition that the WTO's rulebook needs to be brought up to date and current work boosted as part of any reform effort. Related to this, several participants mentioned the importance of transparency in regulatory systems to facilitate trade and the need to reinforce the WTO's monitoring function. They also underlined the importance of the WTO's continued work on addressing regulatory barriers to trade.

Participants welcomed the progress made in the "plurilateral" negotiations on e-commerce, domestic regulation of services and addressing the needs of micro, small and medium-sized enterprises. Several underlined the importance of the digital trade agenda - both in goods and services - particularly given the surge in online commerce during the COVID-19 pandemic.

There was also support for new initiatives, such as the structured discussions on trade and environmental sustainability, including talks on transitioning to a circular economy, as well as suggestions for additional initiatives, such as on trade and health. These initiatives are starting to produce results, said participants. They encouraged WTO members to continue pursuing such initiatives, which promise to respond to the challenges confronting business today.

Many speakers cited the importance of environmental sustainability and how environmental measures may impact trade and business. Issues such as carbon border adjustment measures and facilitating trade in environmental goods and services need to be carefully considered. The WTO is the natural forum for such talks and business should contribute to the discussions, they said.

In addition, many participants underlined the importance of increased communication and cooperation between the WTO and the business community. To keep pace with the rapid changes in the marketplace, a more permanent and structured contact between the WTO and the international business community is of paramount importance, they said. Such a forum would help ensure that future rules negotiated by WTO members reflect business concerns and are "fit for purpose" for trade in the 21st century.