

## What's on the Cards for MC13? Reform, E-Commerce, Fish Subsidies and more

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The World Trade Organisation's (WTO) 13<sup>th</sup> Ministerial Conference (MC13) has begun in Abu Dhabi, UAE, and will run until the 29<sup>th</sup> of February 2024. The list of topics and deliverables to be covered on the agenda is overwhelming – if not in number, then at least in complexity. The Director-General of the WTO, Dr Ngozi Okonjo-Iweala, has insisted that no one agenda item supersedes the others in importance, stating that all agenda items “will affect real people”.

One can summarise eight key areas of discussion on the agenda. These areas include e-commerce, fisheries subsidies, investment facilitation, agriculture, intellectual property (IP), the environment, development and LDC graduation, and – highly anticipated – WTO reform (including dispute settlement reform).

### 1. WTO Reform

The main issue on the [reform agenda](#) is the issue of dispute settlement at the WTO. The Appellate Body, a panel of seven in the WTO who make decisions on disputes, was rendered non-functional in 2019 by the United States who blocked any new appointments to the body. At MC12, members of the WTO set the deadline of 2024 for finding a solution to this problem, as well as reforming the dispute settlement system. Members have since submitted their ideas for reform. The aim is to introduce measures that work well to resolve disputes; simplify procedures; lower the costs of dispute settlement procedures; make the procedures more transparent and accountable; and to make dispute settlement more accessible to all members, especially to LDCs.

### 2. E-Commerce and digital trade

The main issue on the [e-commerce agenda](#) is the moratorium on electronic transmissions. The moratorium is an agreement to not subject digitally traded goods and services to tariffs – think Netflix, Spotify, and all software. However, some members have argued that this deprives governments of a much-needed source of revenue, and also serves only to strengthen multinational monopolies and

oligopolies. The thinking is that by taxing digital goods and services; domestic service providers will be allowed to thrive. On the other hand, this will negatively impact consumers who will pay the tax; especially in parts of the world where the domestic economy does not have the capacity to produce a competing service or good.

### **3. Fisheries Subsidies**

The [Agreement on Fisheries Subsidies](#) was adopted at MC12, and prohibits government support for harmful fishing practices: illegal, unreported and unregulated (IUU) fishing; fishing of overfished stocks; and fishing on the unregulated high seas. At MC13, the Agreement needs to be entered into force with a two-thirds majority vote. To-date, 43 of the 110 states required have submitted their instruments of ratification. MC13 will present the opportunity for states who have not yet done so, to do so – eight new ratifications were presented on the first day. MC13 will also see the continuation on negotiations pertaining to fisheries subsidies. The second wave of negotiations which will establish further regulations against harmful subsidies will begin, and this conversation will include provisions for LDCs.

### **4. Agriculture**

Talks on an agreement on Agriculture have been going on for over twenty years – it is a notoriously contentious sticking point for the trade organisation. For the first time ever, members have agreed to work from the same working document – a positive development. The first [issue on the topic of agriculture](#) is that of subsidies: competitive exporters believe that support for domestic producers should be reduced, as it distorts the global market. Second, developing countries have called for reform to make agricultural trade fairer. Specifically, recent talks at the WTO have had a specific focus on the cotton industry, with the poorest members calling for reform and the chance to contribute to value-addition in the cotton value-chain. Finally, the third concern on the agenda is the issue of food security. Some have drawn attention to the implications of export restrictions, while other, developing countries have requested safeguard mechanisms to protect their domestic industries from price drops and influxes in imports.

### **5. Development and LDC Graduation**

Over two-thirds of WTO members are developing or least developed countries (LDCs), benefiting from special treatment provisions, including extended timeframes and technical assistance. LDCs, specifically, receive the most assistance. However, as LDCs graduate from this special status, they lose out on much of the special provisions that support their ability to compete on the global market. The adoption of a

General Council decision in 2023 promoting a smooth transition for countries graduating from LDC status will be up for discussion, [where the terms of this process will be consolidated](#). Of the 15 LDCs that are due to graduate, 12 are members of the WTO: Angola, [Bangladesh](#), Cambodia, Djibouti, Lao, Myanmar, Nepal, Senegal, Solomon Islands, Zambia, and the recently acceded Comoros and Timor-Leste.

## **6. The Environment**

Responding to a growing interest in high-level talks on trade and environment, MC13 will look towards [reinvigorating the Committee on Trade and Environment \(CTE\)](#) and will hold its first ministerial conversation on sustainable development. Three WTO member groups – namely, the Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade (DPP) with 77 members, the Trade and Environmental Sustainability Structured Discussions (TESSD) involving 76 WTO members, and the Fossil Fuel Subsidies Reform (FFSR) comprising 48 WTO members – will present their progress, initiatives, and future plans.

## **7. Investment Facilitation**

Over 125 members, or three-quarters of the WTO, are due to append the [Investment Facilitation for Development \(IFD\) Agreement](#), which aims to improve global investment regulation transparency and efficiency, thereby facilitating trade (especially for LDCs). The agreement was finalised by the IFD Joint Initiative group in November 2023, who are now looking to incorporate the agreement into the WTO in a more concrete way at MC13. Participants are hoping to include the agreement under Annex 4 of the Marrakesh Agreement – the section on plurilateral trade agreements in the founding agreement of the WTO. However, some countries – including India – do not support the agreement’s incorporation into the WTO, as the initiative was produced without a ministerial mandate. This is problematic as the WTO Agreement provides that the agreement can only be [added to Annex 4 by consensus](#).

## **8. Intellectual Property (IP)**

Lastly, members are due to decide whether they will [extend the MC12 decision on COVID-19 vaccine licensing](#). Following MC12’s landmark decision, discussions have continued on extending TRIPS provisions to cover diagnostics and therapeutics, with no consensus reached as of yet. Developing countries stress manufacturing concentration’s role in inequitable access, while others question if IP truly hinders access.

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