

## What Happened at the WTO's Thirteenth Ministerial Conference?

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The results of the [13<sup>th</sup> Ministerial Conference \(MC13\)](#) of the World Trade Organization (WTO) – held between the 26<sup>th</sup> of February and midnight on the 2<sup>nd</sup> of March in Abu Dhabi – were mixed. While there were some notably positive outcomes, MC13 failed to produce outcomes on three of the most important agenda items: agriculture, fisheries subsidies, and dispute settlement reform.

### Outcomes at MC13

#### i. Accessions

[The Comoros and Timor-Leste are finally members of the WTO](#), after 17 and seven year accession processes (respectively). This brings the total number of members to 166. The Comoros is an African LDC and a member of the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC), although is not party to the SADC free trade area. It will now be able to trade with other African countries who are not members of COMESA under WTO Most Favoured Nation (MFN) rules.

#### ii. LDC Graduation Transitions

With the accession of Comoros and Timor-Leste, the number of LDC members of the WTO due to graduate from their LDC status has risen from 10 to 12. When LDCs graduate, they are no longer eligible for the preferential treatment that is awarded to LDCs in many WTO agreements and decisions. At MC13, progress was made on smoothing the transition for graduating LDCs. The LDC group, led by Djibouti – a soon-to-be graduate – had previously circulated [proposals](#) for extending preferential treatment for graduated LDCs for a period of time after they have graduated<sup>1</sup>.

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<sup>1</sup> WT/GC/W/807/Rev.2

The [decision taken at MC13](#) extended the exemption from export subsidies and eligibility for technical assistance programs for three years after they graduate from LDC status<sup>2</sup>. However, there are a number of other agreements that still need to be addressed for graduated LDCs to still have the same benefits as when they held their LDC status – the decision made at MC13 essentially only covered two points out of seventeen issues that need to be addressed and given phase out timelines and terms.

### iii. Domestic Services Regulation

A third achievement was the recognition of the [Agreement on Domestic Services Regulation](#), with 72 members committing to implementing its disciplines. Drafted in 2021, stands to improve the transparency and predictability of authorisation procedures for those looking to supply services to foreign markets. This agreement was [almost blocked by South Africa and India](#), who have [consistently opposed plurilateral agreements](#) negotiated without a ministerial mandate (i.e., without every member's approval). The WTO consensus-based system allows members to veto the recognition of plurilateral agreements, even by members who are not party to the agreement. This has proven to be a problematic system, and there have been [calls for members to refrain from exercising their veto power](#) in such contexts. Eventually, South African and India let the Domestic Services Regulation Agreement pass to be recognised given that signatories only commit to member-specific reforms, meaning their legal argument against plurilateralism was weak.

### iv. Investment Facilitation

Another plurilateral agreement opposed was the [Agreement on Investment Facilitation for Development](#), which the pair did block from being recognised by the WTO at MC13. The Agreement, with over 120 member signatories, stands to make trade easier for both signatories and non-signatories as members to the agreement pledge to make their domestic foreign investment regulations transparent and trade-friendly.

### v. E-Commerce

Gains were made in e-commerce – or rather, losses were avoided. The [final decision on e-commerce](#) extended the moratorium on electronic transfers until the end of March 2026 (or, until MC14 – whichever comes first)<sup>3</sup>. The [moratorium](#) prohibits members from implementing customs duties on goods and services that are transferred across borders electronically – this includes software and

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<sup>2</sup> WT/L/1189; WT/MIN(24)/34

<sup>3</sup> WT/L/1193; WT/MIN(24)/38

streaming services. A decision to end the moratorium would have been a huge setback for global trade and the WTO, which aims to minimise barriers to global trade.

While it is promising that the moratorium has been extended for two years the fact that its end is in sight is worrying. South Africa, India and Indonesia were opposed to the extension of the moratorium, and it was only due to some [careful negotiation tactics](#) that the extension was actualised. It is possible that it will not be extended in 2026; this would have net-negative consequences, especially for vulnerable economies. A [study by the OECD](#) suggests that the revenues gained from ending the moratorium will be minimal; and it would punish consumers and competition, particularly in smaller economies.

#### **vi. Agriculture**

No agreement was struck on agriculture despite the fact that the WTO has a nearly thirty-year old mandate to do so, and the ever-pressing rise in global food insecurity. LDCs and net food-importing developing countries (NFIDCs) have consistently pleaded with food exporters to cease export restrictions that distort the market by hiking prices and reducing supply of key food commodities. Indian rice came up as a key issue, Indian farmers are paid higher-than-market prices by the government under the guise of “stockpiling”, which is allowed under WTO rules. However, some have claimed that India later exports [as much as 40%](#) of its “stockpiled” rice, having distorted the market so that the price paid is higher than it would be otherwise. Commentators have pointed out that coming to an agreement will get harder as time passes given climate change’s effect on the global food systems and food security.

#### **vii. Fisheries Subsidies**

The second round of negotiations on the fisheries subsidies stalled at MC13 despite support from the WTO secretariat to reach an outcome. The second round of negotiations extend the already-adopted [Agreement on Fisheries Subsidies](#) by going beyond the prohibition of subsidies that benefit illegal, unreported and unregulated fishing to include subsidies that specifically encourage overfishing. [These include subsidies on fisheries related vessels, fuel, labour and equipment](#)<sup>4</sup>.

India argued that no prohibitions should apply to vessels flying a nation’s flag in that nation’s sovereign waters. They also argued that as developed countries have contributed the most to deep sea fishing, they should cease all subsidies on deep sea fishing while developing countries should be allowed to

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<sup>4</sup> WT/MIN(24)/W/10

continue for 25 years. The Pacific Island nations have argued that subsidies on deep sea fishing be banned entirely, while China – responsible for one third of the world’s deep sea fishing trawlers, refused to entertain this proposal.

As somewhat of a silver lining, 11 ratifications of the fisheries agreement were spun as a positive achievement. While it is better than nothing, it has a long way to go before ratification – 71 members have ratified the Agreement, a further 39 instruments of acceptance are required before the Agreement may be adopted.

#### **viii. Dispute Settlement Reform**

[Dispute settlement at the WTO has remained stuck since December 2019](#), when the United States disbanded the appellate body by vetoing the appointment of new judges<sup>5</sup>. As well as this, LDCs and developing countries struggle to utilise dispute settlement instruments because of the associated costs, making the system unfair and dysfunctional. As such, the aim of recent dispute settlement reform negotiations has been to reintroduce a functioning dispute settlement system that is also equally accessible to all members. Disappointingly, no concrete decision was made on these negotiations at MC13. Instead, members decided that they would continue work on dispute settlement reform with a [deadline for proposals of December 2024](#)<sup>6</sup>. This means very little given that this same deadline was set at MC12 in 2022, and there is still no sign of consensus in sight. In terms of a solution to the problem of the Appellate body specifically, success was unlikely from the outset. The United States would never have allowed the reinvigoration of the body, especially so close to an election.

#### **MC13 Negotiations in Context**

The conference failed to achieve many important goals set out on the agenda; however, it also did not see any major setbacks to global trade. Many of the issues on the agenda – agriculture, fisheries, dispute settlement and e-commerce – are highly controversial topics, and consensus was never going to be guaranteed. As over 60 democracies go to the polls this year, it was expected that ministers would be hesitant to compromise and risk domestic backlash. India, for example, did not want to upset its farmers and fishermen by agreeing to stop subsidies ahead of its elections. Additionally, there was always a

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<sup>5</sup> This happened as a result of rulings against the United States in favour of China that former president Donald Trump deemed biased (in China’s favour). President Joe Biden’s administration has continued to prevent the Appellate body from reforming.

<sup>6</sup> WT/L/1192; WT/MIN(24)/37

chance that other ongoing political events such as the war in Ukraine and unrest in the middle east would contribute to division amongst ministers in Abu Dhabi.

Despite these challenges, delegates displayed a determination to negotiate. The conference, due to end on the 29<sup>th</sup> of February, was extended by two days as delegates worked through the night to produce results. In November of 2019, the Economist published an article titled, [\*It's the end of the World Trade Organization as we know it\*](#). While it may be true that it will never operate exactly as it did before 2019 – when the Appellate body was frozen and anti-multilateralism was at its peak – WTO negotiations continue to matter. More than [75% of the world's trade falls under WTO rules](#), and [22 countries are still waiting to accede](#).

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