



**AFRICAN GROUP STATEMENT
INFORMAL WTO MINISTERIAL GATHERING, WEF, DAVOS, 25 JANUARY 2019**

The following communication, dated 1 February 2019, is being circulated at the request of the delegation of Benin.

-
- This statement is circulated by H.E. Minister Rob Davies to the informal WTO Ministerial gathering in Davos on behalf of Benin, as the Coordinator of the African Group¹. We thank the Government of Switzerland for hosting this meeting.
 - The two most serious and immediate risks to the relevance of the MTS: First, the unprecedented challenges of **unilateral trade measures** that violate WTO rules and principles and that have provoked retaliation. Self-judging national security justification takes us into uncharted areas and may proliferate, creating new sources of instability and uncertainty.
 - Second, the continuing impasse in the **Appellate Body** selection process threatens the DSM that is the foundation of a functioning MTS. Without a solution here by December, the DSM will be rendered obsolete and all our other work and efforts would be redundant.
 - Many developing countries, including in Africa, have long reasoned that the system has prejudiced our trade and development interests and that the system needs to be rebalanced for equity and fairness, and in a manner and at a pace appropriate to national circumstances. This is the content of the **WTO Reform** we need.
 - It beggars belief that those who designed the system and who have been its main beneficiaries now suggest the system is unfair and needs reform. Most of the ideas in the proposals recently submitted in the name of reform do not address the real imbalances in the MTS.
 - The sanctions element of the proposal on **Transparency** is one example.
 - The proposals for graduation and differentiation are another. These are divisive and unlikely to yield results. Trying to change the principle of self-declaration is also impractical.
 - A more productive approach would acknowledge that S&DT principles are sufficiently flexible to address differences in the actual negotiating process and to not worsen imbalances. For all their shortcomings, the agricultural and NAMA texts under the Doha agenda were replete with examples of differentiation and flexibility to accommodate real differences in the actual circumstances of Members. Notably, in the fisheries subsidies negotiations, flexibility and S&DT is required to address our capacity constraints and to build our fishing industry capabilities in the future. The African Group will not agree to any proposals disadvantaging any of its Members through a change to the negotiating mandate or by using irrelevant criteria.

¹ This statement is without prejudice to the position of Nigeria.

- We see an unfair contradiction in the call to narrow flexibility on S&DT but demand more flexibility by selectively undermining WTO consensus decision making as a way to advance plurilateral outcomes that will themselves fragment and undermine the MTS.
- The challenges facing the WTO will not be addressed if plurilateral work is prioritized over multilateral processes or cherry-picking some rules to be preserved and others reformed.
- Recall outcomes at MC8 and MC9. Recent failures in the negotiating function in the WTO are primarily a function of an inability to negotiate or compromise on unreasonably ambitious demands. Reasonable demands, compromise and flexibility are essential to advance negotiations.
- Must also recognize that more trade liberalization and harmonizing 'behind the border rules' do not necessarily promote development. We need to accept the diversity of national circumstances, varying policy imperatives and the need for adequate policy space to accommodate those.
- The objectives of the AU's *Agenda 2063: The Africa We Want* require policy space to pursue integration and industrial development objectives.

African Trade Ministers met in Cairo in December 2018 and issued a Declaration on WTO (WT/L/1054). The key points to preserve the MTS and ensure it remains relevant to Members include:

- Refrain from WTO-inconsistent unilateral measures.
 - Resolve the AB impasse as a matter of priority.
 - Advance the longstanding matters of importance to Africa, notably on trade distorting domestic support, cotton, public stockholding, net food importing developing countries, fishery subsidies, and making S&DT more effective.
 - Recall and reaffirm previous Ministerial and General Council Decisions.
 - Preserve the principles and procedures established in the Marrakesh Agreement, including S&DT, decisions by consensus and the requirement for multilateral mandates for negotiations.
 - Ensure WTO outcomes support Africa's integration and industrialisation objectives.
 - Desist from making demands on African countries in accession that are inconsistent with their levels of development and capabilities.
 - Discussions on the future of the WTO must promote development and inclusiveness, and includes the common interests of Africa.
-