

11th WTO Ministerial Conference (MC11)

Advancing the WTO Agenda

December 2017

WHY DOES THE WTO MATTER?

The World Trade Organisation (WTO) is the guardian of world trade. An open and rules-based multilateral trading system is indispensable for national economies to fully realize their potential. Internationally operating companies can rely on the WTO's uniform set of rules and do not need to deal with a multitude of different treaties. To ensure that the WTO will guarantee free and fair trade among its 164 members also in the future, it needs to be strengthened, and its rule-book needs to be expanded. Modern trade requires a modern multilateral trading regime.

- **Strong WTO Agreements** for goods, services and intellectual property to reduce obstacles to international trade.
- **Strong legal and institutional framework** for implementation and monitoring.
- **Effective transparency mechanism** to monitor trade policies and to ensure free and fair trade.
- **Effective Dispute Settlement** to safeguard compliance and avoid escalating trade conflicts.

14.5 %

Expected reduction in total trade costs for low-income countries through the Trade Facilitation Agreement

\$1.3 trillion

Of annual trade with products covered under the ITA II-Agreement

Source: WTO, *Trade Facilitation Agreement*, <https://www.wto.org/english/thewto_e/20y_e/wto_tradefacilitation_e.pdf>. WTO, *Information Technology Agreement* <https://www.wto.org/english/tratop_e/inftec_e/inftec_e.htm>.

MC11: Topics in discussion

- Agriculture:** Domestic support, public stockholding for food security purposes, special safeguard mechanism for developing countries.
- Services:** Disciplines on domestic regulation and trade facilitation.
- Fisheries:** Limits on subsidies for particular harmful types of fishing.
- Future Agenda:** Investment Facilitation, E-Commerce, Micro, Small and Medium-sized Enterprises.

Source: BDI

BDI Recommendations

Advance the Negotiation Agenda

The WTO should seek pragmatic approaches to complete the negotiations on the remaining issues of the Doha Round. These include non-agricultural market access, trade in services, intellectual property rights and trade rules. MC11 should clear the way forward, also by agreeing on fishery subsidies and public stockholding.

Free Trade Agreements as Role Models

Monitoring of FTAs should be expanded, for example by improving the WTO's transparency mechanism. A best practice mechanism should be developed to review the potential applicability of rules agreed in FTAs to the multilateral regime.

Update Existing WTO Rules

The WTO rules urgently need an update. Digital trade needs to be placed in the centre of deliberations. The WTO rules on trade-related investment measures should be modernized. As "fairness" of trade is discussed among WTO members, rules on trade and competition (including subsidies) should be put back on the agenda.

Curtail Protectionism

Monitoring mechanisms by the WTO and notification requirements by members should be expanded to facilitate appropriate responses to protectionist measures. Export duties and similar levies should be more strongly regulated and minimized.

Mounting Protectionism

Protectionist measures such as import bans, additional quantitative limits or closed borders discriminate against foreign companies and impede economic growth and job-creation. Recent trade-monitoring reports display rising protectionism levels since 2008. New restrictive measures continue to add to the stock of trade restrictions. To counter unfair competition, states can apply trade defence instruments like anti-dumping measures in accordance with WTO law. Trade remedy investigations account for 44 percent of all trade measures taken.

New Trade Restrictive Measures

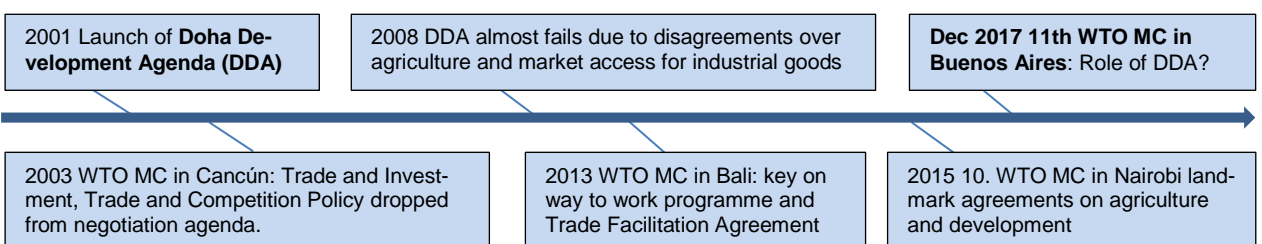
by WTO Members since Oct. 2008



Source: WTO, *Trade Monitoring Reports*, <https://www.wto.org/english/news_e/archive_e/trdev_arc_e.htm>; BDI Analysis.



The Doha Round



Dispute Settlement Understanding

Dispute Settlement System

The WTO dispute settlement system is the crown jewel of the international trade regime. It guarantees that obligations from international agreements can be enforced when one of the signatories fails to comply with such obligations. It increases the practical value of the commitments the signatories undertake.



Recommendations

- Swift staffing of vacancies in the WTO Appellate Body
- Ensure that the Dispute Settlement System is not politicised further
- Provide sufficient financial and human resources for the system to work efficiently

Source: BDI

