

CAPACITY BUILDING ON “TRADE POLICY ANALYSIS”

Session 2: WTO Overview

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WORLD TRADE ORGANISATION

- **Location: Geneva, Switzerland**
- **Established: 1 January 1995**
- **Created by: Uruguay Round negotiations (1986–94)**
- **Membership: 164 countries since 29 July 2016. (Afghanistan was 164th Member).**
- **Secretariat staff: 634 regular staff**

Functions:

- **Administering WTO trade agreements**
- **Forum for trade negotiations**
- **Handling trade disputes**
- **Monitoring national trade policies**
- **Technical assistance and training for developing countries**
- **Cooperation with other international organizations**

Motivations for Establishing Multilateral Trading System

- **Phased opening of markets by reducing/removing all forms of trade barriers**
- **Rules-based system to curb tendencies of unilateral action by larger trading countries**
- **Transparency in the making of global trading rules**
- **Predictability in the setting of trade rules provides ideal environment for business to operate**

Year	Place/ name	Subjects covered	Countries
1947	Geneva	Tariffs	23
1949	Annecy	Tariffs	13
1951	Torquay	Tariffs	38
1956	Geneva	Tariffs	26
1960–1961	Geneva (Dillon Round)	Tariffs	26
1964–1967	Geneva (Kennedy Round)	Tariffs and anti-dumping measures	62
1973–1979	Geneva (Tokyo Round)	Tariffs, non-tariff measures, “framework” agreements	102
1986–1994	Geneva (Uruguay Round)	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, creation of WTO, etc	123

Results of the Uruguay Round

The Legal Texts - a daunting list of about 60 agreements, annexes, decisions and understandings. In fact, the agreements fall into a simple structure with six main parts:

- an umbrella agreement (the Agreement Establishing the WTO);
- agreements for each of the three broad areas of trade that the WTO covers (**goods, services and intellectual property**);
- dispute settlement; and
- reviews of governments' trade policies.

WTO: Coverage of issues

- **The WTO disciplines are in three parts:**
 - **for the trade in goods, contained in the GATT and some specific agreements on goods;**
 - **for the trade in services, contained in the General Agreement on Trade in Services (GATS);**
 - **for the protection of Intellectual Property Rights, contained in the Agreement on Trade Related Aspects of Intellectual Property Rights (Agreement on TRIPS).**
- **An agreement called the Dispute Settlement Understanding (DSU) for enforcement of the rights and obligations and for resolving disputes between governments in the areas covered by these agreements.**

WTO MINISTERIALS

- Singapore, 9-13 December 1996
- Geneva, 18-20 May 1998
- Seattle, November 30 – December 3, 1999
- **Doha, 9-13 November 2001**
- Cancún, 10-14 September 2003
- Hong Kong, 13-18 December 2005
- Geneva, 30 November - 2 December 2009
- Geneva, 15-17 December 2011
- Bali, 3-7 December 2013
- Nairobi, 15-19 December 2015
- **Buenos Aires, 10-13 December 2017**

Why do countries seek WTO membership

- **WTO provides a common legal framework for countries to trade among themselves.**
- **In its absence, a country would need to enter into bilateral agreement with each of its trading partners**
- **DSU provides some protection against subjective actions of other countries**
- **Being a member GATT/WTO, provides a country with the opportunity to learn from the experiences of other countries and also influence the process to some extent**
- **As the GATT/WTO framework for conducting international trade has been in existence for nearly seven decades now, it will be odd for a country to remain out of it .**

DOHA ROUND

Doha Round

- **9th Round launched on 14 November 2001 at the WTO Ministerial Meeting in Doha, Qatar.**
- **Strong development dimension:**
 - **focus on benefits to developing countries through increased global trade opportunities .**
 - **Special & Differential Treatment (S&DT) for developing countries, LDCs, SVEs.**
- **Principle of “Single Undertaking”.**
- **Core areas: Agriculture, Non-Agricultural Market Access (NAMA), Services, Rules, SPS/TBT, TF.**

Negotiations under Doha Round

- **Comprehensive:**
 - **Agriculture**
 - **NAMA**
 - **Services**
 - **Rules**
 - **TRIPS**
- **Agriculture and NAMA**
 - **Market Access: Reduction/removal of tariff and non-tariff barriers**

Doha Round Developments

- **July Framework (2004) – compromise was built in certain areas. TF to be part of DDA and other Singapore Issues dropped.**
- **Hong Kong Ministerial (2005) – raised some hopes.**
- **Mini Ministerial (2008) – 20 items were listed by DG. 18 were cleared, but finally talks broke down. Contentious issues were Agriculture SSM and Cotton subsidies.**

WTO Bali Package

- **The 9th WTO's Bali Ministerial Conference concluded on 7 December 2013 with agreement on a package of issues designed to streamline trade, allow developing countries more options for providing food security, boost least developed countries' trade and help development more generally**

TWO PARTS

- **Part I arises from regular ongoing WTO work under the General Council and is related to TRIPS, e-commerce, small economies, Aid for Trade, and trade and transfer of technology.**
- **Part II of the package includes those selected items from the original Doha Development Agenda that WTO members could agree on during the Ministerial Conference. The most important elements are on trade facilitation, agriculture and food security and special provisions for the least developed countries.**

TRADE FACILITATION

- **To simplify customs procedures through this legally binding agreement has the objectives: to speed up customs procedures; make trade easier, faster and cheaper; provide clarity, efficiency and transparency; reduce bureaucracy and corruption, and use technological advances. It also has provisions on goods in transit, an issue particularly of interest to landlocked countries seeking to trade through ports in neighbouring countries.**

AGRICULTURE

- **Shielding public stockholding programmes for food security in developing countries, so that they would not be challenged legally even if a country's agreed limits for trade-distorting domestic support were breached. This is an interim solution with the aim to produce a permanent solution in four years.**
- **Handling “tariff quota administration” (TRQ), i.e. how a specific type of import quota (a “tariff quota” where volumes inside the quota have a lower duty) is to be handled when the quota is persistently under-filled. Members have agreed on a combination of consultation and providing information when quotas are under-filled.**
- **A strong political statement to ensure export subsidies and other measures with similar effect are low.**
- **Improving market access for cotton products from least developed countries, and with development assistance for production in those countries.**

LEAST DEVELOPED COUNTRIES PACKAGE

- **Three major decisions for facilitating their exports to the developed countries' markets:**
 - To provide preferential market access on at least 97% of products under the Duty Free Quota Free (DFQF) market access to the developed countries' markets. Many countries have already implemented this, and the decision says countries that have not done so for "shall seek to" improve the number of products covered.
 - A simplified preferential rules of origin to make it easier for least developed countries to export their products.
 - A "services waiver", allowing least developed countries preferential access to richer countries' services markets.
- **Positive movement took place in WTO Services Council in February 2015 in Geneva.**

Nairobi Package

- **Agriculture**
 - Special Safeguard Mechanism for Developing Country Members
 - Public Stockholding for Food Security Purposes
 - Export Competition
- **Cotton**
- **LDC issues**
 - Preferential Rules of Origin for Least Developed Countries
 - Implementation of Preferential Treatment in Favour of Services and Service Suppliers of Least Developed Countries and Increasing LDC Participation in Services Trade

Nairobi Package (2)

30. We recognize that many Members reaffirm the Doha Development Agenda, and the Declarations and Decisions adopted at Doha and at the Ministerial Conferences held since then, and reaffirm their full commitment to conclude the DDA on that basis. **Other Members do not reaffirm the Doha mandates, as they believe new approaches are necessary to achieve meaningful outcomes in multilateral negotiations. Members have different views on how to address the negotiations.** We acknowledge the strong legal structure of this Organization.
31. Nevertheless, there remains a strong commitment of all Members to advance negotiations on the remaining Doha issues. This includes advancing work in all three pillars of agriculture, namely domestic support, market access and export competition, as well as non-agriculture market access, services, development, TRIPS and rules. Work on all the Ministerial Decisions adopted in Part II of this Declaration will remain an important element of our future agenda.
32. This work shall maintain development at its centre and we reaffirm that provisions for special and differential treatment shall remain integral. Members shall also continue to give priority to the concerns and interests of least developed countries. Many Members want to carry out the work on the basis of the Doha structure, while some want to explore new architectures.

Buenos Aires

- The General Council is preparing the agenda for MC. Last meeting was on 18 May 2017 and 26-27 July 2017.
- Doha Issues?
- Fisheries subsidies ?
- E Commerce ?



Thank You