



## **REPORTS ON RECENT IPU SPECIALIZED CONFERENCES AND MEETINGS**

### **(b) ANNUAL 2012 SESSION OF THE PARLIAMENTARY CONFERENCE ON THE WTO**

**Geneva, 15 and 16 November 2012**

1. The Parliamentary Conference on the World Trade Organization (WTO), now in its tenth year of existence, is a forum for exchanging opinions, information and experience, as well as for promoting common parliamentary action in the area of international trade. A product of the collaborative efforts of the IPU and the European Parliament, the Conference oversees the effectiveness and fairness of WTO activities. It also serves to promote the transparency of WTO procedures, improve the dialogue between governments, parliaments and civil society, build capacity in parliaments in matters of international trade and influence the direction of discussions within the WTO.

2. The annual 2012 session of the Conference took place on WTO premises in Geneva on 15 and 16 November. The session was attended by 300 participants and observers from 69 countries and 11 international organizations, including 157 members of parliament. In terms of numbers of parliamentary delegations attending the session, this was a record, attesting to the sustained interest of the parliamentary community in the activities of the Parliamentary Conference on the WTO. Also present at the session were government representatives of 24 sovereign States that are Members of the WTO.

3. Held under an overarching title "Back to basics: Connecting politics and trade", the session included a debate on the substantive theme "Trade as a tool of economic growth, job creation and poverty alleviation". The session's programme also comprised a policy dialogue with members of the high-level panel designated by the WTO Director-General to define the future of trade and a panel discussion entitled "Trade in services: Time for political decisions", with the participation of leading WTO negotiators and experts.

4. The inaugural ceremony was addressed by Senator D. Oliver, a member of the IPU Executive Committee and co-Chair of the Steering Committee of the Parliamentary Conference on the WTO, Mr. G. Papastamkos, Vice-President of the European Parliament, and Ambassador Sh. Bashir of Pakistan, Chairperson of the WTO Dispute Settlement Body.

5. One of the highlights of the session was a hearing with the WTO Director-General, Mr. P. Lamy. It was followed with great interest not only by parliamentarians, but also by trade diplomats and the media. In his speech, the Director-General stated: "We believe that we are accountable to parliamentarians. Of course, the WTO remains an organization between governments but these governments are accountable to you. This accountability and your own engagement and involvement in our trade issues are conducive to strengthening the multilateral trading system and provide legitimacy for what we do".

6. This spirit of openness towards parliamentarians as representatives of the people was also characteristic of the policy dialogue with members of the high-level panel designated by the WTO Director-General to discuss the state of the multilateral trading system, analyse the drivers of today's and tomorrow's trade and examine the implications of open global trade in the 21<sup>st</sup> century. Two members of the high-level panel, Mr. P.S. Mehta, Secretary General of CUTS International, and Ms. Sh. Burrow, Secretary-General of the International Trade Union Confederation, shared their views with the parliamentary audience and responded to a number of questions. Their presentations gave rise to a lively debate.

7. At the closing sitting, the participants adopted by consensus an Outcome Document (see Annex) prepared by the Steering Committee and amended through a process of broad consultations with other participants. The text reiterated parliamentarians' readiness to use all political means at their disposal to forge a multilateral consensus that would lead to the successful conclusion of the Doha Round.

8. The Outcome Document also reiterated the view that the WTO stood to benefit from a strong and effective parliamentary dimension. In this connection, the document called on the WTO Members to recognize the role and responsibility of parliamentarians by adding the following words to the outcome text of the forthcoming 9<sup>th</sup> WTO Ministerial Conference (Indonesia, December 2013): "The transparency of the WTO should be enhanced through closer cooperation with parliaments in its activities."

9. The proceedings of the session are available in the form of an electronic publication entitled "Highlights of the 2012 session of the Parliamentary Conference on the WTO". Containing numerous photos, it includes full texts of main documents, speeches and presentations as well as extracts of the debate. The publication is available exclusively on-line on the IPU website (<http://www.ipu.org/splz-e/trade12.htm#publication>).

## **Recommendations**

10. At a time when the Doha Round of multilateral trade negotiations is at a critical juncture, with the future of the entire multilateral trading system brought into question, it is important for parliaments to ensure effective oversight of their respective governments' participation in WTO talks. The Parliamentary Conference on the WTO provides a suitable platform for such action. Parliaments are encouraged to use it more proactively.

11. The Conference is one of the best examples of partnership and collaborative efforts of the IPU and the European Parliament to provide an effective parliamentary dimension to one of the most important intergovernmental structures. This cooperation, including its cost-sharing dimension, is mutually beneficial and deserves to be enhanced.

12. Taken against the background of protracted difficulties in the Doha Round, the decision to hold the 9<sup>th</sup> WTO Ministerial Conference in Bali from 3 to 6 December 2013 has led to elevated political expectations. The IPU should work closely with the Indonesian Parliament to organize a meaningful parliamentary session in parallel with the Ministerial Conference and use all means available to stimulate the participation of parliamentarians in the intergovernmental Conference as members of official national delegations.

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ANNUAL 2012 SESSION OF THE  
PARLIAMENTARY CONFERENCE ON THE WTO

**Back to basics: Connecting politics and trade**

Geneva, 15-16 November 2012

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Organized jointly by the Inter-Parliamentary Union and the European Parliament

**OUTCOME DOCUMENT**

**Adopted by consensus\* on 16 November 2012**

1. We are firmly convinced of the enduring value of multilateralism. We reaffirm our commitment to a universal, rules-based, open, non-discriminatory and fair multilateral trading system that can effectively contribute to economic growth, sustainable development and employment generation. We remain deeply concerned at the lack of progress in the Doha Round of trade negotiations and insist on the need for a political response to the situation. We believe that a balanced, ambitious, comprehensive and development-oriented outcome of the Round is a goal that should be actively pursued for the benefit of all parties and emphasize the importance of achieving early outcomes in areas where progress can be made, especially with regard to development-related issues.

2. Since the first session of the Parliamentary Conference on the WTO nearly a decade ago, the international trade landscape has undergone considerable changes and become more complex, multi-polarized and regionalized. The vector of transformation points to increased fragmentation of production in the global supply chain, with a marked shift along the South-South axis. The existing multilateral trade architecture, with the WTO at its core, continues to play a crucial role, acting as a stabilizer of the global economy. The importance of a rules-based trading system as a contributor to economic growth was affirmed during the global financial and economic crisis, when protectionism was relatively contained and strict adherence to WTO rules and commitments was an important goal. Nevertheless, given the uncertain economic outlook, we remain concerned about the growing tendency towards protectionist measures.

3. While the crisis has dominated policymakers' attention as an imposing political challenge, economic thinking has swung, demonstrating the need for greater market regulation as well as more proactive intervention by State actors. Recognizing the signs that the world economy may be entering a new turbulent phase with significant downward risks, renewed upheavals in global financial and commodity markets, decelerating growth and mounting unemployment, we underscore the role played by the WTO in keeping global markets open, addressing trade finance shortage and mobilizing Aid for Trade support.

4. We draw attention to the fact that the Doha Round was launched as a "development round" which gives priority to the needs and interests of developing countries, especially the least developed ones, to ensure that all peoples and countries get an equitable share of the opportunities and benefits of trade liberalization and enhanced interdependence among economies. Achievement of these aims requires a fair and balanced deal that reinforces a

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\* The delegation of India expressed a reservation on the word "fulfilment" in the last but one sentence of paragraph 10.

rules-based multilateral system and enhances the necessary support mechanisms that provide appropriate trade-related technical assistance and capacity-building to the least developed countries.

5. The new realities of international trade have had a transformative impact on the scope of trade policies at the national, regional and international levels. Sustainable trade liberalization, free movement of capital, advancements in transport infrastructure and progress in information and communication technologies – all facilitate the complex web of trade flows, including components such as the movement of intermediate goods through global value chains. As a result, the focus of trade policies has shifted from the narrow field of import and export controls to the promotion of competitiveness and export diversification, in tune with the changes in the global economy.

6. International trade policy is not only about making laws and ratifying international agreements, but above all about creating a trade environment that generates revenue, provides employment and stimulates all stakeholders, including the private sector - especially micro, small and medium-sized enterprises - to be proactive and innovative. We recognize that the benefits of trade are not automatic and that trade itself is a necessary but insufficient condition for triggering and sustaining growth and development. Trade policy can also contribute significantly to poverty reduction, especially in developing countries. To bear fruit, trade policies must be discussed also in the context of further development objectives, such as employment generation, enhanced productive capacity, sustained and inclusive economic growth, food and energy security, improved public health, access to essential medicines and services, efforts to combat corruption, etc. Trade policies should be complemented by appropriate macroeconomic measures, including effective fiscal and monetary policies that are specifically aimed at a more equitable sharing of wealth and opportunities within and across countries.

7. Political credibility lies in the capacity to produce results, not statements. Failure to address the jobs crisis, to stimulate domestic demand and to stabilize the financial sector risks sending the global economy into another recession. We insist on the need for integrated and coherent national trade, industrial, labour market and social policies that focus on promoting productive employment, decent jobs, strengthening productive capacities and better coping with external shocks. The trade-employment nexus needs to be critically accounted for within the entire multilateral trading system, aiming at full implementation of the ILO core labour standards and facilitation of labour mobility.

8. The task of transforming potential trade efficiency gains into employment gains is more challenging for the least developed countries with a lesser comparative advantage in manufacturing. This is why we believe that special and differential treatment measures and recognition of policy space within the WTO is important and that the implementation of trade liberalization policies in least developed countries should provide for gradual approaches and smoother labour-market adjustment. We concur on the need to enhance all forms of cooperation and partnership for trade and development and welcome the decisions of the 8<sup>th</sup> WTO Ministerial Conference concerning accession rules and services waiver for the least developed countries. We value the adoption by the WTO General Council in July 2012 of the recommendation to further strengthen, streamline and operationalize the 2002 LDC accession Guidelines and warmly welcome the accession of Vanuatu and Laos.

9. Protest movements in many parts of the world reflect popular discontent over insufficient participatory and inclusive policy approaches. For policymakers, this is an opportune moment to renew the social contract between the State and citizens and to reconsider the nature and magnitude of the role of the financial sector in globalization. Rebalancing the global finance and trading systems to make them work for the poor is part of the challenge. The Doha Development Agenda, which has development as its central principle, is a key part of the solution.

10. For trade to contribute effectively to more inclusive development paths, greater coherence needs to be built throughout the different layers and components of the international trading system – multilateral, regional and bilateral. To preserve the relevance of the WTO to changing economic realities, there is a need for the WTO to explore approaches to address new issues which are trade-related, such as in the areas of global supply chains, food and energy security and monetary problems. Given the actual impact of climate change, we call for greater coherence between the objectives and rules of the WTO and the fulfilment of international environmental obligations. To this end, we appeal for much closer cooperation between the WTO and the respective UN specialized institutions.

11. We reiterate our view that the WTO stands to benefit from a strong and effective parliamentary dimension. Parliaments are duty-bound to provide oversight of international trade negotiations, ensuring their transparency and fairness. They are also called on to oversee the implementation of international agreements. Driven by the desire to make the multilateral trading system work for the people and to achieve greater coherence in international economic governance, we restate our readiness to use all political means at our disposal to forge a multilateral consensus that will lead to the successful conclusion of the Doha Round. We take this opportunity to call on the WTO to provide parliamentarians with information more systematically on current and emerging trends in international trade and on the welfare effect of multilateral trade agreements. In the same vein, we urge national governments to provide easy and timely access to information on trade initiatives and negotiations to national parliaments, to develop dialogue channels on those issues, and to include parliamentarians in official national delegations to international trade events on a regular basis.

12. We welcome the decision of the WTO to hold its 9<sup>th</sup> Ministerial Conference in Bali, Indonesia, at the end of 2013, and see it as a new chance to inject the stalled negotiations with the necessary political momentum. We take this opportunity to reiterate our call to the WTO Members to recognize the role and responsibility of parliamentarians by adding the following words to the outcome document of the forthcoming Ministerial Conference: "The transparency of the WTO should be enhanced through closer cooperation with parliaments in its activities."