

# HIGHLIGHTS OF THE SESSION



## BUENOS AIRES SESSION OF THE PARLIAMENTARY CONFERENCE ON THE WTO

Buenos Aires (Argentina)  
9-10 December 2017

*Organized jointly by the Inter-Parliamentary Union and the European Parliament  
with the support of the National Congress of Argentina  
in connection with the 11<sup>th</sup> WTO Ministerial Conference (MC11)*



Inter-Parliamentary Union  
For democracy. For everyone.



CONGRESO DE LA NACIÓN  
ARGENTINA



European Parliament



# CONTENTS

<b>PROGRAMME OF THE SESSION</b>	<b>3</b>
<b>OUTCOME DOCUMENT</b>	<b>5</b>
<b>INAUGURAL CEREMONY</b>	
• Mr. Emilio Monzó, Speaker of the Chamber of Deputies of Argentina	8
• Ms. Gabriela Cuevas Barron, President of the Inter-Parliamentary Union (IPU)	10
• Ms. Mairead Mc Guinness, First Vice-President of the European Parliament	12
• Ambassador Xavier Carim, Permanent Representative of South Africa to the WTO, Chairperson of the WTO General Council	14
• Mr. Jorge Faurie, Minister of Foreign Affairs of Argentina	16
• Ms. Susanna Malcorra, Chairperson of the Eleventh WTO Ministerial Conference	18
• Ms. Marta Gabriela Michetti, President of the Senate of Argentina	19
<b>REMARKS BY THE WTO DIRECTOR-GENERAL, MR. ROBERTO AZEVÊDO, AND HEARING WITH THE WTO DEPUTY DIRECTOR-GENERAL, MR. KARL BRAUNER Buenos Aires and beyond</b>	
• Remarks by the WTO Director-General, Mr. Roberto Azevêdo	20
• Hearing with the WTO Deputy Director General, Mr. Karl Brauner	22
• Question-and-answer exchange	23
<b>PRESENTATION OF THE JOINT DECLARATION ON TRADE AND WOMEN'S ECONOMIC EMPOWERMENT</b>	
• Joint Declaration on Trade and Women's economic empowerment	24
• Ms. Arancha González, Executive Director, International Trade Centre (ITC)	25
• Question-and-answer exchange	26
<b>DIALOGUE WITH SENIOR WTO NEGOTIATORS AND OFFICIALS What can we expect from MC 11?</b>	
• Mr. Paul Rübig, Moderator, Member of the European Parliament	28
• Ambassador Stephen Ndung'u Karau, Permanent Representative of the Republic of Kenya to the United Nations Office and other international organizations in Geneva Chairperson of the Committee on Agriculture, Special Session	28
• Ambassador Héctor Marcelo Cima, Permanent Representative of the Argentina Republic to the United Nations Office and other international organizations in Geneva Chairperson of the Council for Trade in Services, Special Session	29
• Ambassador Didier Chambovey, Permanent Representative of Switzerland to the World Trade Organization Chairperson of the Negotiating Group on Market Access	29
• Ambassador Marc Vanheukelen, Permanent Representative of the European Union to the WTO	30
• Question-and-answer exchange	30
<b>PRESENTATION OF REPORTS AND INTERACTIVE DEBATE ON THE SUBSTANTIVE THEME E-commerce and the internationalization of SMEs</b>	
• Discussion paper presented by Ms. Emma McClarkin, Member of the European Parliament	36
• Discussion paper presented by Mr. Joseph Hyacinthe Owona Kono, Member of Parliament, Cameroon	39
• Introductory remarks by Ms. Inmaculada Rodríguez-Piñero Fernández, Member of the European Parliament	41
• Introductory remarks by Ms. E. McClarkin	41
• Question-and-answer exchange	42

---

## PRESENTATION OF REPORTS AND INTERACTIVE DEBATE ON THE SUBSTANTIVE THEME

### The role of multilateralism in times of rising protectionism

• Discussion paper presented by Mr. Paul Rübig, Member of the European Parliament	47
• Discussion paper presented by Ms. Bogolo Kenewendo, Member of Parliament, Botswana	49
• Introductory remarks by Mr. Anurag Singh Thakur, Member of Parliament, India	51
• Introductory remarks by Mr. P. Rübig	51
• Introductory remarks by Ms. B. Kenewendo	52
• Introductory remarks by Dr. Mukhisa Kituyi, Discussant Secretary-General of the United Nations Conference on Trade and Development (UNCTAD)	53
• Introductory remarks by Mr. Ildefonso Guajardo Villarreal, Discussant, Minister of Economy, Mexico	53
• Question-and-answer exchange	54

---

## ADOPTION OF THE OUTCOME DOCUMENT

Introductory remarks by the Rapporteur, Senator Federico Pinedo, Argentina	60
--	----

---

## RULES OF PROCEDURE OF THE PARLIAMENTARY CONFERENCE ON THE WTO

---

	62
--	----

---

## PARTICIPATION

---

	65
--	----

---

## COMPOSITION OF THE STEERING COMMITTEE

---

	66
--	----





# PROGRAMME OF THE SESSION

## SATURDAY 9 DECEMBER

- 9:00 – 12:30 Pre-Conference session of the Steering Committee (*in camera meeting*)
- 10:00 - 18:00 *Registration of participants*
- 13:30 – 14:00 Photograph at National Congress esplanade
- 14:30–15:00 Inaugural session
- Mr. Emilio Monzó, Speaker of the Chamber of Deputies of Argentina
  - Ms. Gabriela Cuevas Barron, President of the Inter-Parliamentary Union (IPU)
  - Ms. Mairead Mc Guinness, First Vice-President of the European Parliament
  - Ambassador Xavier Carim, Permanent Representative of South Africa to the WTO, Chairperson of the WTO General Council
- 15:00–15:30
- Mr. Jorge Faurie, Minister of Foreign Affairs of Argentina
  - Ms. Susanna Malcorra, Chairperson of the 11<sup>th</sup> WTO Ministerial Conference
  - Ms. Marta Gabriela Michetti, President of the Senate of Argentina
- 15:30 - 16:30 Remarks by the WTO Director-General, Mr. Roberto Azevêdo, and Hearing with the WTO Deputy Director-General, Mr. Karl Brauner
- Buenos Aires and beyond**
- Moderator**
- Mr. Krister Örnfräder, Member of Parliament (Sweden)  
Co-Chairman of the Parliamentary Conference on the WTO
- 16:30 – 17:00 Presentation of the joint Declaration on Trade and women's economic empowerment
- Presenter**
- Ms. Arancha González, Executive Director, International Trade Centre (ITC)
- 17:00 – 19:00 Dialogue with senior WTO negotiators and officials
- What can we expect from MC 11?**
- Guest Speakers**
- Ambassador Stephen Ndung'u Karau, Permanent Representative of the Republic of Kenya to the United Nations Office and other international organizations in Geneva, Chairperson of the Committee on Agriculture, Special Session
  - Ambassador Héctor Marcelo Cima, Permanent Representative of the Argentina Republic to the United Nations Office and other international organizations in Geneva, Chairperson of the Council for Trade in Services, Special Session
  - Ambassador Wayne McCook, Permanent Representative of Jamaica to the United Nations Office and other international organizations in Geneva, Chairperson of the Negotiating Group on Rules
  - Ambassador Didier Chambovey, Permanent Representative of Switzerland to the World Trade Organization, Chairperson of the Negotiating Group on Market Access
- Moderator**
- Mr. Bernd Lange, Member of the European Parliament,  
Co-Chairman of the Parliamentary Conference on the WTO
- 19:00 – 20:00 Steering Committee (*in camera meeting*)
- 20:00 – 22:00 *BBQ offered by the National Congress of Argentina*  
*At "Asociación Argentina de Polo" Arevalo 3065, Palermo,*  
*Ciudad Autónoma de Buenos Aires*

## SUNDAY 10 DECEMBER

9:00 – 10:30 Presentation of reports and interactive debate on the substantive theme

### **E-commerce and the internationalization of SMEs**

#### **Rapporteurs**

- Ms. Emma McClarkin, Member of the European Parliament
- Mr. Robert Bapoo Lipo, Member of Parliament, Cameroon

#### **Moderator**

- Ms. Inmaculada Rodríguez-Piñero Fernández, Member of the European Parliament

10:30 – 11:00 *Coffee break*

11:00 – 13:00 Presentation of reports and interactive debate on the substantive theme

### **The role of multilateralism in times of rising protectionism**

#### **Rapporteurs**

- Mr. Paul Rübig, Member of the European Parliament
- Ms. Bogolo Kenewendo, Member of Parliament, Botswana

#### **Discussants**

- Dr. Mukhisa Kituyi, Secretary-General of UNCTAD
- Mr. Ildefonso Guajardo Villarreal, Minister of Economy, Mexico

#### **Moderator**

- Mr. Anurag Singh Thakur, Member of Parliament, India

13:00 – 13:30 Adoption of the outcome document and closing session

#### **Rapporteur**

- Senator Federico Pinedo, Argentina

13:30 *Lunch buffet for the participants*  
(Blue Room, National Congress of Argentina)

14:15 Departure of buses for the Inaugural of the Ministerial Conference  
(only persons holding MC 11 accreditation)

# OUTCOME DOCUMENT

*Adopted on 10 December 2017*

1. On the eve of the 11<sup>th</sup> Ministerial Conference of the World Trade Organization (WTO), to be held in Buenos Aires between 10 and 13 December 2017, we urge WTO Members to make every possible effort to achieve positive results that consolidate and strengthen the multilateral trading system, with the WTO as its cornerstone.
2. We believe that a multilateral trading system – rule-based, open, and non-discriminatory – plays an important role in promoting global economic growth and sustainable development, in creating jobs and wellbeing. Trade should be a key element to achieving the United Nations Sustainable Development Goals (SDGs). We also recognise that trade can cause positive disruption. Trade reforms must contribute to inclusive economic growth and support economic diversification, industrialisation and structural transformation, particularly in developing countries.
3. Trade has contributed to the increased participation of developing countries in the global economy and has contributed significantly to strengthening their constructive engagement in an evolving system of global rules. We remain committed to multilateralism and to sustaining WTO's role within the multilateral system. Strengthening the WTO means building its capacity to deliver reforms to the international trading system, helping more people to participate and spreading the benefits of trade more widely, fairly and equitably.
4. International trade is a tool to support development. Changes in trade flows with the incorporation of new countries into the multilateral system show the benefits of defending the multilateral system so that all countries have the same opportunities to safeguard their rights and assume obligations compatible with their capabilities. In 2001, total imports amounted to US\$ 6,320 billion and in 2008 reached US\$ 16,350 billion, an increase of 158 per cent. In 2016, total imports were at US\$ 16,039 billion after having been at US\$ 19,000 billion in 2014. The fall in trade values has undermined the belief of trade as the engine of growth. The deceleration of GDP growth in Europe, the United States and Japan has eroded optimism about the benefits of globalization and greater integration of economies. However, the increased presence of developing countries in the international trading system has been positive because, as a result, there is more balance and equity in the distribution of the globalization process that will benefit the multilateral trading system.
5. The Bali and Nairobi Ministerial Conferences renewed the negotiating spirit through the commitments of the WTO's Trade Facilitation Agreement (TFA), the simplification of rules of origin and the provision of preferences for Least Developed Countries' (LDC) services and providers, and the elimination of agricultural export subsidies. In this regard, we applaud the coming into force in February 2017 of the TFA, the first multilateral trade reform agreed by the WTO since it was established in 1995, paying attention to the particular needs of developing LDCs and Members in implementing this Agreement. Adequate technical and financial support to assist the implementation of the TFA will still need to be provided. We also welcome the coming into force, on 23 January 2017, of an amendment to the TRIPS Agreement to help developing countries access generic medicines at more affordable prices. We urge governments that have not yet ratified these two agreements to do so as speedily as possible.
6. The last twenty years have witnessed an extraordinary advance of information and communication technologies, which have revolutionized the way of doing business with products and services and of exchanging information, giving a strong impetus to the increase of productivity in industry, agriculture and services. These new technologies have opened up the possibility of a new productive revolution that will improve the standard of living of the world's population by providing opportunities for developing countries. Technology is knowledge and drives innovation and productivity with greater horizontal and participatory transparency. However, it is believed to be one of the causes of the loss of jobs in the old modes of production, so it is necessary to envisage inclusive and balanced mechanisms to manage the development of both production models to avoid marginalization and uncertainty. It is essential that the development tools seek to include affected people and do not become forms of assistance that keep them out of the system. The Parliamentary Conference promotes the search for equitable mechanisms for the distribution of taxes,

universal access to the use of knowledge technologies, solutions to the growing impact of global value chains on domestic and rural economies, on themes ranging from digital trade and connected themes like cyber security, addressing the digital divide for opening up of opportunities and social inclusion, keeping also in view the environmental concerns.

7. The past decade has witnessed a proliferation of multilateral, regional and bilateral agreements. These agreements may open markets in areas only partially or not even covered by the WTO. The impact of these agreements at the multilateral level remains unclear. While they could promote liberalization at the multilateral level, they could also undermine an inclusive multilateralism by fragmenting the system. But there must be coherence and convergence between such agreements and the multilateral trading system, and the role played by multilateral agreements in international trade should not be disregarded or undermined. Plurilateral, regional and bilateral deals in goods and services should not pose obstacles to the conclusion of multilateral negotiations as part of the WTO Doha Development Agenda. It is only if there is progress in these negotiations that there can be real developmental gains for all Members, rich and poor. Development should be at the heart of multilateral trade negotiations and priority should be given to the concerns and interests of developing Members and LDCs. Developing members and LDCs should continue to enjoy flexibility both when making trade commitments as well as when implementing them. We call on WTO Members to continue to accompany trade liberalisation with trade-related technical assistance and capacity building.

8. Trade ministers must respond to challenges by setting out a clear vision on how to surmount the current period of uncertainty and how to conclude and implement the Doha Development Round's outstanding issues. We deeply regret that progress in overall trade negotiations has been very slow. We urge all WTO Members to show flexibility and the willingness to compromise in order to conclude the trade round that has already lasted too long.

9. The Uruguay Round Agreement on Agriculture (AoA), recognizing in its Article 20 that substantial and progressive reduction of subsidies and protection is an ongoing process, required its Members to resume negotiations on sector reform one year before the end of the period of implementation. However, it was only at the 10<sup>th</sup> Ministerial Conference in Nairobi that the elimination of export subsidies was approved with immediate effect for developed Members and by the end of 2018 for developing Members. The Parliamentary Conference urges all Members, especially developed Members, to implement the Nairobi Conference's commitments and to advance in sector negotiations as provided for in Article 20 of the AoA. This can create new opportunities for developing Members and a better distribution of the benefits of the multilateral system of international trade through substantial and progressive reduction of trade distorting agricultural subsidies. The Parliamentary Conference also recognizes that food security is vital for developing Members and that WTO rules must support the fight against hunger; increased global production and the opening of reliable supply channels are an appropriate mechanism to provide access to safe and affordable food.

10. We also urge WTO Members to find a permanent solution on the issue of public stockholding for food security purposes in line with the mandate and timelines as per the decision taken at the 10<sup>th</sup> Ministerial Conference.

11. The Parliamentary Conference confirms that the prohibition and elimination of certain forms of subsidies to fisheries under the WTO, and in accordance with the commitment set out in SDG14.6 of the *Agenda 2030 for Sustainable Development*, will be an important step forward in promoting the sustainable development of marine fishery resource, while controlling indiscriminate fishing and preventing the depletion of this marine resource. Appropriate and effective special and differential treatment for developing and least-developed Members should be an integral part of the WTO fisheries subsidies negotiations, taking into account the importance of this sector to development priorities, poverty reduction, and livelihood for food security concerns. Establishing disciplines for the prohibition and elimination of certain forms of subsidies, technical assistance to developing Members, and reviews of implementation, will help to achieve this goal.

12. The Parliamentary Conference noted the establishment of the Global Forum on Steel Excess Capacity. We recognize that excess capacity in steel and other industries is a global issue which requires collective responses. It is important for countries to take measures to avoid price distortions and to promote the restructuring of the sector based on market orientation.

13. Given the growing importance of trade in services in global trade, all efforts should be made to revive services negotiations at the WTO including on a framework for facilitating trade in services. We also need to safeguard against growing protectionism particularly in the area of temporary movement of professionals.

14. We also welcome the growing interest among WTO Members in other areas of the international trade agenda of the 21<sup>st</sup> century. Micro, Small and Medium Enterprises (MSME) account for a large proportion of employment, notably of women and young people, in many domestic economies, but they need to gain similar importance in international trade and need further support from the WTO. E-commerce could significantly reduce the costs of doing business across borders, particularly for MSMEs. We stress the need for the WTO to promote specific policies to encourage more widespread and inclusive MSME participation in global markets. We take note that investment and trade are mutually reinforcing engines of global economic growth.

15. We encourage policymakers to incorporate the importance of women into macroeconomic policies; women's empowerment can accelerate the eradication of poverty.

16. The WTO's Aid-for-Trade initiative is an important vehicle for helping poorer developing Members to face supply-side and trade-related infrastructure obstacles that limit their ability to engage in, and benefit from, international trade. We welcome the fact that disbursements reached US\$ 39.8 billion in 2015, the latest year for which figures are available. This is the highest figure to date for a single year. We stress the need to maintain this momentum and maximize the impact of this support.

17. However, we remain deeply concerned about growing economic inequalities, notably within countries. Developing countries, particularly LDCs, must have the freedom to apply appropriate domestic policies to ensure that increased trade efficiency results in more job opportunities. Trade policies must be accompanied by appropriate fiscal and monetary measures to generate jobs, boost productivity and promote sustained and inclusive economic growth. Other supportive policies for skills development and technology transfer are necessary and the international community should assist developing countries in this regard.

18. We call on all WTO Members to move forward with the nomination of the Members of the Appellate Body, in order to ensure a proper functioning of the WTO Dispute Settlement System.

19. Addressing the challenges facing the WTO requires the continued involvement of parliamentarians. As elected representatives of the people, parliamentarians are well placed to listen to and convey the concerns and aspirations of citizens, businesses and non-governmental organizations (NGOs), thus enhancing the transparency of the WTO and strengthening public acceptance of, and support for, fair and equitable trade for all. We urge the WTO to make full use of the Parliamentary Conference on the WTO and to ensure generally that parliamentarians have access to all the information they need to carry out their oversight role effectively and to contribute meaningfully to trade policies that must include the active involvement in the formulation and implementation of WTO policies, by the WTO and its Members. New trade policies have to be properly scrutinized in the interest of their citizens.





# INAUGURAL CEREMONY

## ADDRESS BY MR. EMILIO MONZÓ, SPEAKER OF THE CHAMBER OF DEPUTIES OF ARGENTINA

Honourable parliamentarians,  
Distinguished representatives of governments and international organizations,  
Ladies and gentlemen,

It is a great honour to welcome you to the Congress of the Argentine Nation for this Parliamentary Conference on the World Trade Organization, in conjunction with the Eleventh WTO Ministerial Conference. We are here as legislators faced with the challenge of making an overall contribution to the fundamental objectives of the WTO in order to raise living standards, achieve full employment, preserve the environment and, most fundamentally, promote the sustainable development of our nations, as advocated in the preamble to the Marrakesh Agreement.



To that end, our nations need to reach agreements on ways to remove obstacles to trade and eliminate discriminatory treatment in international relations, and to do so on the basis of reciprocity and mutual benefit. The need for progress in this effort is as complex as it is vital. Trade is an essential and irremovable aspect of human development, the importance and scope of which we can visualize through the prism of the Sustainable Development Goals (SDGs), approved by the United Nations as part of Agenda 2030. We have established the goals of eradicating poverty and hunger, protecting the planet from environmental degradation and achieving prosperous, peaceful, fair and inclusive societies within a relatively short period of time. The last of the goals approved by the United Nations, Goal 17, on revitalizing the global partnership for sustainable development, includes the specific commitment to promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system. The challenge is no longer to reach agreement on goals and targets but to work effectively together on achieving them.

As established in the rules of procedure, the purpose of these parliamentary conferences is to bring a parliamentary dimension to the WTO through oversight of WTO activities, promoting effectiveness and fairness. These conferences also aim to promote transparency in procedures; improve dialogue between governments, parliaments and civil society; build capacity in parliaments in matters of international trade and exert influence on the direction of discussions within the WTO. As host country, Argentina is proposing that the outcome document of this Parliamentary Conference include firm support for an equitable international trade system, which, based on free and fair trade for the benefit of all, can play an essential role in promoting world economic growth and sustainable development, creating jobs and promoting the general welfare. To that end, we propose to strengthen the commitment of our parliaments to multilateralism and support the work of the WTO within the system.

Argentina welcomes the entry into force of the agreement on trade facilitation in February of this year, which it has ratified through Law 27.373. The system proposed can be improved and can evolve to adapt to changing conditions in 21<sup>st</sup> century trade and economic activity, without forgetting the matters that still require agreements, such as in the agricultural and fishery sectors, as recognized by our former Foreign Minister Susana Malcorra, who will preside over the Eleventh WTO Ministerial Conference. Argentina welcomes the growing interest shown by members of the WTO in other fields, such as e-commerce and assistance for small and medium-sized enterprises.

Our challenge is to evolve. To this end, we need to rise above populist, anti-globalization rhetoric, which confuses free trade with technological change, in particular with automation, and assigns blame for the disappearance of jobs and the accelerated transformation of employment around the world — a problem that affects all countries. The world faces the challenge of the fourth industrial revolution, marked by the convergence of digital, physical and biological technologies that are changing the world as we know it, on a large scale and at breakneck speed. Against that backdrop we suggest in the draft outcome document that the WTO be urged to intensify its collaboration with the International Labour Organization in examining policies to mitigate the consequences of automation, placing emphasis once again on the need for trade, industrial, labour and social policies developed at the national level as part of a coherent normative system to strengthen capacity for production and the creation of decent jobs. It is also important to incorporate the gender perspective in macroeconomic policies, and especially trade policies, with the conviction that empowering women can accelerate the eradication of poverty. We further affirm that the WTO's Doha Development Agenda for the international free trade negotiations that began in 2001 needs to be carried out, since that is the ideal instrument to generate real progress toward development for all countries, rich and poor.

We also propose that the outcome document urge governments to take advantage of the impetus given to negotiations by the Bali and Nairobi conferences when the decision was approved to prohibit rich countries from using export subsidies for agricultural products since such subsidies seriously distort the market for trade in those products, and measures were adopted to promote export opportunities for the providers of services in the least developed countries. We encourage WTO members to find effective formulas for ensuring food security in accordance with the decision adopted at the last Ministerial Conference. We consider it a virtuous initiative to provide trade assistance through grants under the auspices of the WTO, since this has proven itself an important means of assisting the poorest countries in their efforts to overcome obstacles related to infrastructure, supply and trade that limit their capacity to participate in and benefit from international trade.

Parliaments are at the heart of our democracies and are designed to represent the plurality and diversity of our peoples. As argued in our proposal, the challenges faced by the WTO highlight the need for constant participation by parliamentarians. As host, we appreciate and welcome your presence in Buenos Aires and express our wish for a fruitful and enriching meeting. We welcome you with open arms. Our house is yours.

# INAUGURAL CEREMONY

## ADDRESS BY MS. GABRIELA CUEVAS BARRON, PRESIDENT OF THE INTER-PARLIAMENTARY UNION

- Thank you to the parliamentary authorities including, Mrs. Gabriela Michetti, President of the Senate of the Nation, Mr. Federico Pinedo, President pro tempore of the Senate, and Dr. Emilio Monzó, President of the Chamber of Deputies, for the organization of the conference and your warm hospitality.

- Thank you to Ms. Susana Malcorra, Chair of this Ministerial Conference, and Mr. Faurie, Minister for Foreign Affairs of Argentina for their support in organizing this Parliamentary Conference.



- Thank you to the Organizing Committee of the Argentine National Congress, which has demonstrated a perfect osmosis with the Secretariat of the Steering Committee of the Parliamentary Conference on the WTO.

- Since February 2003, parliamentarians from all over the world have been meeting on the occasion of the WTO Ministerial Conference to contribute to the discussions for a fair and equitable global trading system to meet people's needs.

- Since then, the Parliamentary Conference on the WTO brings together legislators who, as members of standing and select committees in their respective parliaments, are specialized in international trade and finance.

- As a joint initiative of the IPU and the European Parliament, the core objective of the Parliamentary Conference is to serve as a forum for the exchange of opinions, information and experience, as well as for the promotion of common parliamentary action in the area of international trade.

- As part of this process, together we help:

- oversee and promote the effectiveness and fairness of WTO activities;
- promote the transparency of WTO procedures and enhance dialogue between governments, parliaments and civil society;
- build capacity in parliaments on matters of international trade, and
- inform discussions at the WTO from a parliamentary perspective.

- Parliamentarians are a transmission belt between international institutions, negotiations and our people. Our contribution is more crucial today than ever before as trade and globalization are facing increasing challenges.

- Trade is supposed to be one of the key instruments to combat poverty, and an engine of growth for all. But the benefits of trade still don't reach as many people as they should.

- This feeds the disaffection, or even the loss of confidence of the population in the global trading system accused of serving only the rich and deepening inequalities.

- There is a growing backlash against globalization and free trade, which are often portrayed by populist politicians as responsible for job losses and lingering economic hardship.
- We are witnessing a withdrawal behind national borders through protectionist policies that are not sustainable. Today's world is so interconnected and interdependent that protectionism no longer has its place.
- Globalization is not a prime cause of unemployment. Raising trade barriers will not bring back jobs where they have been lost, but it will hurt consumers, particularly the poorest.
- Technology and innovation along with automation have an impact on the loss of jobs. However, they are also the driving forces of the economic revolution that sustains growth and development.
- We must find, through a comprehensive and harmonized approach together with other stakeholders, innovative and appropriate ways to adjust to change.
- Solutions imply domestic policies to which, as parliamentarians, we can contribute to creating the legislative environment aiming at guiding and containing them in accordance with our socio-economic realities.
- Parliamentarians should contribute to a well-informed and honest debate to highlight the multiple benefits of globalization.
- We should work to restore our people's confidence in and rally their support to this global trading system.
- People should benefit from trade. Confidence restoration includes the promotion of an inclusive trading system in which every stakeholder should have a say and which should underscore the important role of women along with the determining contribution of SMEs.
- At this juncture, I would like to commend the WTO efforts to promote the multilateral inclusive trading system and delivering results. These include:
  - The WTO annual public forums which explore how different stakeholders, including women, can participate in the trading system and how everyone can better benefit from trade;
  - The entry into force of the Trade Facilitation Agreement, also known as the 'biggest global trade deal in two decades', which aims to provide developing and least developed countries with the flexibility to tailor their implementation schedules according to their specific needs and level of development. I am pleased to inform you that, as part of its efforts to facilitate the entry into of this agreement, the IPU will conduct, in collaboration with the WTO, national sensitization campaigns and training seminars on the implementation of the TFA, as of next year;
  - the current discussion on how to advance the Doha issues, including agriculture, services and fisheries subsidies.

I would like to express the wish that the current Eleventh Ministerial Conference will make a meaningful contribution to lead to further success in the achievement of the international trading system goals.

- We have all acknowledged the parliamentary role and responsibility on trade issues. Looking ahead, we would like to see a stronger, more effective and I daresay better-institutionalized cooperation between the parliaments and the WTO, through the Parliamentary Conference on the WTO. I look forward to working with you all in turning this vision into reality.

I thank you for your attention.



# INAUGURAL CEREMONY

## ADDRESS BY MS. MAIREAD Mc GUINNESS, FIRST VICE-PRESIDENT OF THE EUROPEAN PARLIAMENT

Members of Parliament,  
Ambassadors,  
Delegates,  
Distinguished guests,  
Ladies and gentlemen,

It is an honour and a great pleasure for me to welcome you to this Parliamentary Conference on the WTO and an honour for me to be here as part of a delegation from the European Parliament.

This Conference is a joint effort by the European Parliament and the Inter-Parliamentary Union, this year in cooperation with the Congress of Argentina. I would like to extend my sincerest thanks to the Congress of Argentina and its leadership for hosting us, and for all the efforts and the enthusiasm it has put into making this Conference a success.



Let me also take this opportunity to congratulate Senator Gabriela Cuevas Barron on her recent election as the President of the Inter-Parliamentary Union. She is well known to us in the European Parliament through her active role in the Euro-Latin American Parliamentary Assembly, where she co-chaired the Committee on Political Affairs, Security, and Human Rights. We are pleased to see a woman in this important position and look forward to future fruitful cooperation.

It is very inspiring to see so many parliamentarians here from all corners of the world, which shows the importance of the parliamentary dimension in world affairs. Sometimes, when I chair the European Parliament, which is a gathering of 28 member States, I think it is a miracle that we can sit and agree and compromise. The atmosphere here today is also the same; it also an expression of the great interest of parliamentarians in trade policy in general. As elected representatives, we are on the ground and listen to the views of citizens and convey the views to those in charge of negotiations. We hold our governments to account and ensure our concerns are heard and taken on board. However, I think that we have another key role, namely to explain the role of trade, the importance of fair and free trade, and its contribution to job creation and equality issues.

Over the next two days, we will hear from key negotiators at the WTO Ministerial Conference and we will deliberate on a range of issues and how they relate to trade. Our panels will discuss the role of multilateralism, as well as the opportunities and challenges of e-commerce.

A word now on multilateralism – it needs further explanation. The role of trade in the global economy, and the WTO as an organization, is at a critical juncture. In recent years, we have seen many partners, particularly in the developed world, calling multilateralism into question, in spite of what it has achieved in terms of increased prosperity and improved living standards.



Since its creation, the WTO has played a pivotal role in strengthening multilateralism, in promoting an inclusive world economic order and fostering an open, rules-based and non-discriminatory multilateral trading system, where rules are uniformly applied. The word “non-discriminatory” is important. Rules should be the same for all, big and small, but the commitments should be in accordance with our capabilities.

We need the WTO. We need the organization to be ready to face the new challenges of the 21<sup>st</sup> century. We need a trade agenda for the benefit of all, which supports sustainable development by giving importance to social, environmental and human rights.

We need a WTO that recognizes the links between gender equality and inclusive development. Women’s empowerment is key to the eradication of poverty. Removing barriers to women’s participation in trade is critical for economic development. I am therefore pleased that it has been possible to agree on a Declaration in this respect, which will be presented in more detail later on today.

We also need a WTO that discusses the many technological developments, which are frequently and fundamentally changing the way we trade today, and also the way that we live and interact today, and this needs a lot of work politically.

It is time for concrete actions to facilitate e-commerce and turn digital opportunities into trade realities. We must bridge the digital divide, so that no one is left behind. Better connectivity offers more business opportunities, including for small companies in the developing world. Investment in infrastructure is a key challenge. We also need to agree on common rules to ensure that the Internet remains open and accessible to all, and that the issues of transparency and privacy are well balanced. I look forward to our discussions on this, which I hope will inspire the negotiations at the Ministerial Conference.

I hope that the Conference will further contribute to mutual understanding, and send a clear message to all the ambassadors and governments on the future of the WTO. I hope it will contribute to greater involvement of parliamentarians and the general public in trade policy and to a better and broader understanding of the WTO workings and why multilateralism matters.

I am Vice-President of the European Parliament and our bread and butter is about dialogue, compromise, cooperation and progress. In the Parliament and in Europe we speak of unity in diversity, and I see diversity here, which I hope is also signifying unity. My personal background is in agriculture policy, and agriculture is always one of those core subjects for much debate in the WTO and indeed among parliamentarians. Changing and reforming agriculture policy has social, regional and economic consequences. Steps also need to be taken to reflect the challenges of climate change and environmental pressure, and again, I hope that these issues will be debated and that we can find a way forward for the betterment of all our citizens.

Thank you for your hospitality for this important engagement and I wish you all a very successful session.

# INAUGURAL CEREMONY

## ADDRESS BY **AMBASSADOR XAVIER CARIM**, PERMANENT REPRESENTATIVE OF SOUTH AFRICA TO THE WTO CHAIRPERSON OF THE WTO GENERAL COUNCIL

Honourable Members of Parliament,  
Ministers,  
Ladies and Gentlemen,

It is a great honour for me to have this opportunity to address the Parliamentary Conference on the WTO in my capacity as Chair of the WTO General Council. It is also very heartening to see a number of South African parliamentarians in the room, with whom I have had the honour to work very closely over many years.

Parliamentarians are vitally important stakeholders in the multilateral trading system. They are involved in one way or another in all phases of trade policymaking at the national level, and are called on to ratify the outcomes of trade negotiations.



Similarly your role in the WTO will involve making inputs into the national mandates of the members participating in the negotiations, and you will have to be aware of the negotiating positions of other WTO members. Throughout these processes, parliamentarians have to assess the possible impact of any outcomes on their constituencies and the citizens they represent. Furthermore, any decisions arrived at collectively by members at the multilateral level in the WTO can only be implemented after ratification at the national level. Your legislative processes thus provide the foundation for translating multilateral commitments into concrete actions that affect your constituencies and your citizens, who are ultimately the intended beneficiaries of the work carried out in the WTO.

Thanks to the approval processes in a large number of parliaments, 2017 saw the entry into force of the Trade Facilitation Agreement, and the Amendment to the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), which facilitates access to affordable medicines. These are very important results of our work in Geneva, and you have played a pivotal role in their implementation.

In addition, as representatives of your citizens, you help bring the needs and concerns of your constituencies to the national and international levels. At the same time, you may also help in informing your constituencies of the work of the WTO and, as such, you are a key connection between the WTO and the people you represent. This is a very important link that should strengthen inclusivity and, ultimately, the legitimacy of the multilateral trading system.

Now, more than ever, your participation in the ongoing work of the WTO is crucial. The Eleventh WTO Ministerial Conference, which opens tomorrow, takes place against the backdrop of widespread economic and political uncertainty. At a time when we are witnessing a backlash against globalization and international trade across the world, parliamentarians are well placed to articulate the real world concerns of the citizens they represent. This all suggests that closer collaboration and interaction between parliamentarians and the WTO could help to ensure that the WTO is increasingly sensitive and responsive to the needs of citizens across the world.

The WTO, through the General Council and its subsidiary bodies, plays a key role in administering existing agreements, overseeing adherence to them, and ensuring transparency in their implementation. At this Ministerial Conference, the General Council will present its report that sets out in some detail what the organization has accomplished since the last Conference in Nairobi in 2015.

You will also be aware that ministers are expected not only to review the work over the past two years, but also to consider, provide guidance, and where appropriate make decisions on a range of issues under negotiation that are of interest to Members. These include agriculture, fisheries, subsidies, development, e-commerce, and many other issues that ministers may raise in Buenos Aires. Given the current divergences of views on almost all of the issues, the contours of a final outcome will only emerge in the course of ministers' deliberations over the next few days.

This Conference, in any case, is an important occasion for ministers to come together, exchange views on what they see as priority issues for them and for the multilateral trading system, and to consider whether and how these issues can be taken up in future.

As we do this, we should continue to draw inspiration from the principles enshrined in the Marrakesh Agreement that call on us to build a multilateral trading system that supports countries' trade and development objectives. In an organization where decisions are made by consensus, our work needs to be pursued in a transparent and inclusive manner, and it needs to be characterized by greater cooperation and a real sensitivity to the challenges that members confront, particularly the developmental challenges of the poorest among us.

With that, let me conclude with the hope that your discussions will be very fruitful, and provide valuable input for our discussions at the Ministerial Conference.

# INAUGURAL CEREMONY

## ADDRESS BY MR. JORGE FAURIE, MINISTER OF FOREIGN AFFAIRS OF ARGENTINA

Honourable parliamentarians,  
Distinguished representatives of governments and international organizations,  
Ladies and gentlemen,

I consider it a great honour to be addressing you, as we meet as parliamentarians for the fifteenth time to provide our support for the WTO from the parliamentary perspective. I would also like to express my thanks to all who have helped organize this meeting; their efforts serve to reinforce the idea, both here and in the WTO's Eleventh Ministerial Conference, that we are engaged in an open, transparent and inclusive process and committed to dialogue and consensus-building.



For those of us who represent the executive branch, there are two very significant reasons for this meeting. The first is practical in nature, because parliamentarians are the indispensable decision makers on the trade agreements we reach. You are the ones who debate, approve and ratify those agreements. But there is also a reason that could be called philosophical, because you are the representatives of the people, elected by the citizens and therefore responsible for transmitting the will of the people, which the agreements we negotiate must ultimately reflect.

I think it's important for us to consider the broader context: in recent decades, until 2008, foreign trade and investment have increased more than the gross world product, helping to drive development. After 2008, however, we saw a relative stagnation. But in 2017, we have seen somewhat more dynamic growth, of around 3.5 per cent, and we all feel that we have to make an effort to maintain that incipient recovery and ensure that this increase in trade will be sustained but also sustainable. I think we are all aware that the forms of production have been changing dramatically because of the development of new technologies, and that this has had an impact in other areas, such as integration.

Countries compete today for a portion of the production value chain. The old paradigm of the factory in a single location no longer exists and that is creating anxiety for our populations – for all of us – and casting doubt on some of the guiding principles that used to regulate trade and production in the 20<sup>th</sup> century. As representatives of the people, you know better than anyone what this perceived threat means and how this insecurity and threat often affect trade. However, we need to take a balanced approach towards these concerns and changes in productive processes that have been brought about by the new technologies.

If all of our countries seek to give absolute protection to our most sensitive sectors no one will be able to sell anything abroad, there will be no winners and in the end we will all lose. Moreover, if we do not follow rules we may gain in some situations but lose in many others and ultimately undermine the system, making trade flows unpredictable, increasing the risk to our economies and definitely affecting our production and employment. Overall, all things considered, we would lose.

We have to take into account that some of the trends we see in the world are unstoppable. We have to adapt ourselves to the times in which we live and to the technologies we live with. Otherwise, events will overwhelm our capacity to react.

I believe that one of the ways to deal with the anxieties, challenges and uncertainties of our time is to engage in more dialogue, generate consensus and improve coordination. In organizing this Eleventh WTO Ministerial

Conference, Argentina is seeking to contribute its part, from the perspective of the South, with full knowledge of the problems that hinder development. Fortunately, we are also somewhat removed from conflict. As part of Latin America, and of Mercosur, Argentina is a peaceful place, free of nuclear weapons. We therefore aspire to act as a mediator, and facilitator of dialogue and consensus. We have confided the presidency of the Conference to a woman, so that she can generate this climate of good faith, dialogue and consensus among all delegations.

This is not all we have been organizing in Argentina. We are looking forward this year to the G20 presidency, the Antarctic Treaty Consultative Meeting, the Youth Olympic Games and the World Travel and Tourism Summit – and in 2019 to the Second high-level United Nations Conference on South-South Cooperation. Our motto in the G20 is to build consensus for equitable and sustainable development in the belief that all of our efforts need to be focused on our people.

Argentina favours openness and integration: the country seeks to build bridges, not walls, and to help strengthen multilateralism. We have always operated based on shared values. When he assumed the G20 presidency, President Macri said that the power of the rule, rather than the rule of power should prevail. We who form part of the government have to be clear that if the executive does not understand the demands of our society, our peoples have no future. Unless you as representatives of the people join in these agreements, there will be no possible future either.

We need parliaments to act as the voice of the people they represent. Argentina is determined that this Buenos Aires conference should strengthen the multilateral trading system with positive results for inclusive growth, development and job creation to benefit the people. More trade means more production and greater well-being, and that is why we want more multilateralism, and WTO, with reform and a review of its rationale as necessary, not less.



# INAUGURAL CEREMONY

## ADDRESS BY MS. SUSANNA MALCORRA, CHAIRPERSON OF THE ELEVENTH WTO MINISTERIAL CONFERENCE

Honourable parliamentarians,  
Distinguished representatives of governments and international organizations,  
Ladies and gentlemen,

It is with honour, pride and humility that I sit in this chamber before you. I have never been a parliamentarian and it is a huge responsibility to be here discussing a topic that is so central to the future of our peoples, namely the search for opportunities, and a better future. Argentina has assumed the responsibility of chairing this Conference in order to contribute to the good of Argentina and its people but also to all citizens of the world.



We gather here in a context that is perhaps somewhat different to that of previous occasions. There are questions and doubts about the crossroads now before the rules-based multilateral system that the WTO represents. For these reasons, we have committed ourselves to ensuring that the conference in Argentina produces results that will reaffirm that the rules-based system is not merely the only one possible, but is also advancing towards a shared vision. To this end, we have observed the principle of consulting all concerned. We have sought to understand the perspective of each of the 164 countries around the table. We have tried to understand the perspective of different groups of countries that have met to unify their voices so as to arrive in Buenos Aires able to find common ground on ways to advance the agenda.

We are convinced that the current crossroads is not likely to be conducive to dramatic progress on some matters, but we are also convinced that there is life after Buenos Aires. That means that we have to reconfirm our collective commitment to this rules-based system because it is the only system possible in which all concerned have the opportunity to help design the rules, but above all, to commit to abiding by them. It also gives us the opportunity, however large or small our countries, to challenge one other if we do not abide by those rules. We have to reaffirm our commitment in Buenos Aires to set an agenda going forward. We know that the issues in question are not easy. However, we are convinced that there are opportunities for continuing progress, such as defining an agenda around which we can sit together at the negotiating table and seek to best represent our respective interests.

While there are many issues that separate us and keep us apart, there are many more that unite us and bring us together, and in particular the importance of maintaining a rules-based system. This means that when questions of national interest divide us there is something higher that can unite us and make us keep that shared space and that common good in view.

I would like to thank all of you for devoting your time and bringing your parliamentary vision and support to our work, particularly as you will be implementing whatever is decided here. I would also ask you as parliamentarians to advise the representatives of your executive branches to demonstrate flexibility so that we can deliver results here in Buenos Aires, but even more importantly, to strengthen the rules-based system and our ability to keep working together after Buenos Aires.

# INAUGURAL CEREMONY

ADDRESS BY MS. MARTA GABRIELA MICHETTI,  
PRESIDENT OF THE SENATE OF ARGENTINA

Honourable parliamentarians,  
Distinguished representatives of governments and international organizations,  
Ladies and gentlemen,

It is a pleasure for me to be here today with all of you, with our guests on the panel and with my colleague the Speaker of the Chamber of Deputies.

The aim of this conference is particularly apt: to discuss with the representatives of our peoples the progress made and challenges faced by the WTO. This exercise not only reinforces and legitimizes the organization but also strengthens global democracy. The need for vibrant and profound democracy is clear throughout the world. Democracy has to represent more than a set of mechanisms that are maintained out of inertia. Purely formal democracy has never been sufficient. Today we can see with greater clarity that the effects of underestimating real popular participation in the processes of integration and openness can be alarming.



Beyond the essential role legislators play in ratifying the results of negotiations conducted within the WTO, a fluid dialogue between the organization and parliamentarians throughout the world can help to deepen mutual understanding and open a range of possible alternatives along the road toward our common horizon, overcome poverty and achieve global prosperity. It is important to communicate clearly that the globalization being advanced is not a wave destroying all before it but a sea of possibilities and opportunities that can be successfully navigated by all, with benefits for all. It also represents an invitation to transparency. Transparency within the WTO will in turn help to make the world's parliaments more transparent. With respect to the Argentine Republic and its Congress, I can assure you that the work we have been doing to be completely transparent is the most effective way of opening the doors of our institutions to society. Only with transparency and openness can we have equitable parliaments, and an equitable parliament is a strong parliament.

To conclude I should also like to welcome signature of the *Joint Declaration on Trade and Women's Economic Empowerment*. Gone forever are the times when women – creative by nature and enterprising by vocation – resigned themselves to a limited catalogue of professions. The progressive expansion and deepening of our participation in economic life is vital to the development process. If we continue on this path, wealth can be distributed more equitably and opportunities for study, work and production will be open to all. Together, we will advance towards the goal, which despite all obstacles and challenges, we have already defined and now begin to glimpse on the horizon: a world in which people are not required to do things against their will or are prevented from fighting for their desires and dreams.

# REMARKS BY THE WTO DIRECTOR-GENERAL, MR. ROBERTO AZEVEDO

## *Buenos Aires and beyond*

### INTRODUCTORY REMARKS

Honourable Members of Parliament,  
Honourable Ministers,  
Ladies and Gentlemen,

It is a pleasure for me to be with you here today, and I would like to express my appreciation to the Inter-Parliamentary Union and the European Parliament for their kind invitation, and also to our kind hosts, Argentina.

Thank you all for coming here and for your interest in the work of the WTO. There is a real sense of urgency and energy around the Eleventh Ministerial Conference; the agenda is packed, and I hope that you will understand that I am unable to be with you for very long this afternoon. I did, however, want to make sure that I could join you, even for a few moments.



At the outset, let me express my gratitude for your support and engagement. As parliamentarians, you play a very crucial role in the work that we do in the WTO. You support us through debating, approving and ratifying WTO agreements, and also through the pressure you apply and the guidance that you give to your governments to engage on key issues. You also help the WTO to connect to the people that we all serve – your constituents. You play a fundamental role here. We rely on you through platforms like this to pass on to us the concerns of your communities, and to inform your communities about the work of the WTO as well. This is a very important link; it helps to promote inclusivity in the global trading system, and enables us to ensure that the benefits of trade reach further and wider.

This is particularly important in the current context. It's clear in my view, and I hope in yours, that many people feel disconnected from economic progress. We have seen a very significant backlash against globalization. In this debate, trade is often singled out as a disruptive force, particularly in labour markets. We are not here to deny that trade has an impact, but what we do want to stress is that technology is actually the major force driving change and disruption in economies everywhere. There is no doubt that both trade and technologies are essential forces for growth and development. We need to see trade and technologies as solutions to the problem before us.

Action to strengthen the multilateral trading system and ensure that it is responsive to the needs of its members is an essential part of these efforts. I think we have a pretty good basis to build on. At our last two Ministerial Conferences, we delivered a series of major agreements, including the Trade Facilitation Agreement, the elimination of agricultural export subsidies, the expansion of the Information Technology Agreement, and also a series of other decisions and elements for least developed countries. Together, these measures constitute the biggest trade reforms for a generation. In addition to their economic significance, they show that WTO members can work together to solve the complex problems they face today.

Furthermore, we know that the multilateral trading system acts as a guarantor of economic stability and peaceful relations among nations. We saw this in 2008 when the financial crisis sparked fears that we would see a damaging wave of protectionism, as we did in the 1930s. However, this did not happen. The system held firm. Trade kept flowing and members knew at that time that they were bound by a common framework of rules and practices, and that everyone had to show restraint.

As a result of the multilateral trading system, the share of world imports affected by trade restrictive measures after 2008 was around 5 per cent. This is a vast improvement over the 1930s, when two thirds of international trade disappeared in just over three years. This shows that the system is essential and that we have to keep working to preserve and strengthen it.

We have built a strong momentum behind the WTO. The successes of recent years have put us on a very positive path, and we must continue the journey here in Buenos Aires. There is a wide range of issues on the table. The discussions over the coming days will provide an opportunity to make progress where we can and to set the direction for future work.

Constant and ongoing work is required to strengthen the multilateral trading system. I urge all of you to remain engaged and talk to your governments and constituencies. By working together, I have no doubt that we will be able to ensure that the trading system continues to support economic stability, growth, development and job creation around the world.

Thank you very much for coming to Buenos Aires and I wish you all a very productive session.

# HEARING WITH THE WTO DEPUTY DIRECTOR-GENERAL, MR. KARL BRAUNER

## INTRODUCTORY REMARKS

As WTO Deputy Director-General, I am in charge of our Task Force for the Eleventh WTO Ministerial Conference (MC11), and I would like to pay tribute to the host, Argentina. Our counterpart, the Argentinian MC11 Task Force, is a group of very dedicated people working with great engagement and passion, and I am very impressed with their achievements. I compliment our Argentinian hosts, who have spared no effort to ensure that we are all comfortable here for MC11.

Each of the speakers before me has indicated the role that you, as parliamentarians, have. I would like it take it one step further and say that from the perspective of a member-driven organization, whose members are governments that are under the control of parliaments, it is you who hold the remote control. The members of the WTO will do what you, as parliamentarians, allow them to do. We very much hope that the members will, under your guidance, achieve fruitful outcomes here in Buenos Aires.

I have attended all of the Ministerial Conferences since 2001, and this one is special. We have old mandates, new topics, and a problem. The old mandates are those derived from the Doha Development Agenda, and from the Ministerial Conferences in Bali and Nairobi. There are new topics that some members would like to discuss and negotiate and that others would prefer not to address until the old topics have been dealt with, or not to address in a formal fashion. The problem that we are currently facing is unique and relates to the situation in the WTO appellate body. We now have three vacancies: one from Latin America, Asia, and Europe. A fourth position, to be filled by a member from Africa, will become available for extension in 2018. No action is being taken at present to fill the vacancies. However, the workload of the dispute settlement mechanism is enormous as members are becoming more willing to use it and new competitive situations arise that may lead to new conflicts. In the past, use of the dispute settlement mechanism might have been perceived as a 'declaration of war', but it is now viewed as a civilized way of resolving a conflict. It is a compliment to WTO that some countries with bilateral agreements that provide for a dispute settlement system prefer to transfer their dispute to the WTO.

What can we expect from MC11? I can imagine that we may look back at MC11 as a turning point. You all know that WTO has four pillars: committee and monitoring work, technical assistance, dispute settlement system and negotiation. Each time we go to a conference, the focus is on the negotiation outcome. We are all guilty of creating expectation and when we can't fulfil that expectation, we put the organization at risk. The media and public perception is that if there is no negotiated outcome, WTO loses its value. This is very unfortunate.

As to why we had no success with the Doha Development Agenda, that Agenda was designed to be very complex and offer something for everybody. There was the hope that all parties would be willing to make concessions to achieve their particular desired outcome. Nothing was to be agreed until everything was agreed. However, the strategy had the opposite effect, and certain topics were held hostage to others.

We have all learned from this. Success is possible on stand-alone topics and where progress is incremental. This view will also characterize MC11. As the Director-General has said, progress has been made on the Trade Facilitation Agreement, which is a stand-alone agreement.

I think there are three ways forward for the future: agreements that cover the entire membership with a fairly low level of ambition; agreements that cover the entire membership, but with different levels of engagement; and plurilateral agreements. In all cases, success would be incremental. The WTO answers to the needs of business. We set the legal framework that gives business transparency, predictability and legal certainty.



However, once a need is met, it is no longer perceived as a need, and our continued work is not highly appreciated.

The WTO, which is a global public good, is taken for granted, and there is not much appetite from governments to invest in this global public good. There is short-sighted national egoism. After hearing national governments pledge their readiness to achieve Sustainable Development Goal 14 relating to the ocean, seas and marine resources at the United Nations Ocean Conference in New York, I was disappointed at the actual commitments being entered into, including on limiting detrimental fisheries subsidies, in relevant negotiations in Geneva. I am still hopeful that the moral persuasive power of the United Nations will bear fruit here. I very much hope that one of the outcomes of MC11 will be a modest entry into eliminating fisheries subsidies. I also hope that a work programme for WTO will be developed.

## QUESTION-AND-ANSWER EXCHANGE

### Mr. P. Rübig (European Parliament)

Dispute settlement is a very important activity of the WTO that prevents trade disputes from escalating. How can the WTO appellate body be improved, not only at the multilateral level but also at the plurilateral level, including through the establishment of a court system based in Geneva?

### Mr. K. Brauner (WTO Deputy Director-General)

This is a matter that must be decided by the members. We are in charge of the dispute settlement system, and we have shifted resources to the system because of the high demand. I have been listening to the views of WTO members about the dispute settlement system and I have asked a number of questions that could lead to WTO's services being made available for other purposes, but this has to be decided by the members. You can influence your governments to make such demands.

### Mr. W. Wen (China)

China is a strong believer and active participant in the multilateral trading system. Efforts to uphold the authority and efficiency of the multilateral trading system are in the interest of the entire international community. We hope that MC11 will enhance the role of the WTO, preserve the core values and fundamental principles of the multilateral trading system, and achieve positive outcomes in specific areas. Developing countries make up around three quarters of WTO members. How can the WTO ensure that development remains at the centre of its agenda during, and after, MC11?

### Mr. K. Brauner (WTO Deputy Director-General)

I would like to acknowledge the very important role that China has taken on in the WTO. China is now the second largest donor to the WTO and is organizing opportunities for least developed countries to participate actively in the deliberations of the WTO. Development remains at the heart of the WTO and is discussed in all major meetings. Development issues have however, become more difficult. Although least developed countries are determined according to special United Nations criteria, countries can designate themselves as developing countries in the WTO, and some are actually very highly developed in certain areas. There is now a demand among WTO members to differentiate among developing countries. This makes it more difficult to come to agreement on special and differential treatment for developing countries.

### Mr. M. Koroney (Niger)

Would action to raise awareness among parliamentarians play an important role in encouraging participation at the WTO?

### Mr. K. Brauner (WTO Deputy Director-General)

I think we should, on your initiative, organize some input from parliaments into the WTO in Geneva. If you take this initiative, we will respond positively to it.

# PRESENTATION OF THE JOINT DECLARATION ON TRADE AND WOMEN'S ECONOMIC EMPOWERMENT

*Joint Declaration on Trade and Women's Economic Empowerment on the occasion of the WTO Ministerial Conference in Buenos Aires in December 2017*

*Acknowledging* the importance of incorporating a gender perspective into the promotion of inclusive economic growth, and the key role that gender-responsive policies can play in achieving sustainable socioeconomic development;

*Acknowledging* that inclusive trade policies can contribute to advancing gender equality and women's economic empowerment, which has a positive impact on economic growth and helps to reduce poverty;

*Acknowledging* that international trade and investment are engines of economic growth for both developing and developed countries, and that improving women's access to opportunities and removing barriers to their participation in national and international economies contributes to sustainable economic development;

*Acknowledging* the need to develop evidence-based interventions that address the range of barriers that limit opportunities for women in the economy;

*Recalling* Goal 5 of the Sustainable Development Goals in the United Nations 2030 Agenda for Sustainable Development, which is to achieve gender equality and empower all women and girls; and

*Reaffirming* our commitment to effectively implement the obligations under the Convention on the Elimination of all Forms of Discrimination Against Women, adopted by the United Nations General Assembly on 18 December 1979;

We have agreed to collaborate on making our trade and development policies more gender-responsive, including by:

1. *Sharing* our respective experiences relating to policies and programs to encourage women's participation in national and international economies through World Trade Organization (WTO) information exchanges, as appropriate, and voluntary reporting during the WTO trade policy review process;
2. *Sharing* best practices for conducting gender-based analysis of trade policies and for the monitoring of their effects;
3. *Sharing* methods and procedures for the collection of gender-disaggregated data, the use of indicators, monitoring and evaluation methodologies, and the analysis of gender-focused statistics related to trade;
4. *Working* together in the WTO to remove barriers for women's economic empowerment and increase their participation in trade; and
5. *Ensuring* that Aid for Trade supports tools and know-how for analyzing, designing and implementing more gender-responsive trade policies.

Over the next months, we will hold a series of seminars in coordination with relevant international organizations to explore and discuss, among others, the following themes related to trade and the economic empowerment of women:

- The promotion of female entrepreneurship and trade;
- The identification of barriers that limit women's participation in trade;
- The promotion of financial inclusion as well as the access to trade financing and financial assistance for women traders;
- The enhancement of women entrepreneurs' participation in public procurement markets;
- The inclusion of women-led businesses, in particular MSMEs, in value chains;
- The impact of trade facilitation in providing equal access and opportunities for women entrepreneurs;
- The inventory of information sources, their complementarity and the identification of data gaps.

In 2019 we will report on progress towards implementation of this joint declaration on trade and women's economic empowerment.

*Presentation by Ms. Arancha González  
Executive Director, International Trade Centre (ITC)*

First of all, I would like to thank the National Congress of Argentina for this kind invitation to participate in the Parliamentary Conference on the WTO and present this topic of interest for all.

I am here to share with you an initiative that the International Trade Centre, together with Sierra Leone and Iceland, has been co-sponsoring in the WTO, in the conviction that trade needs to be inclusive. While four out of five e-commerce businesses are owned by women, only one in five exporting companies are women-owned, primarily because women's businesses tend to be smaller in size and more sensitive to trade costs.



We have to ensure that the issue of women in trade is discussed in the WTO since 47 per cent of trade agreements signed by countries contain provisions about women in trade. We are not advocating that the WTO creates special rules for women in trade. The aim is not to segregate women in trade or to create a special category for women-owned businesses. We want to launch a process to exchange best practices to ensure that the number of exporting companies owned by women increases.

We are therefore asking members of the WTO to support the Joint Declaration on Trade and Women's Economic Empowerment that constitutes a political, rather than a legal, commitment, and provides for a two-year exchange of experience with effect from January 2018. Some 100 members of the WTO have already expressed support for the Declaration. I know that you are strong supporters of women's economic empowerment, and I am asking you to encourage your governments to support the Declaration, which will be presented to the Chair on the final day of the Ministerial Conference.

## QUESTION-AND-ANSWER EXCHANGE

**Ms. S.F. Hosseini (Islamic Republic of Iran)**

I would like to propose the designation of a day on trade and women's economic empowerment.

**Ms. A. González (Executive Director, International Trade Centre)**

We always mark International Women's Day in March with a special focus on women's economic empowerment and trade, but I would have no difficulty in conveying this suggestion to the relevant bodies in the United Nations. Micro-, Small and Medium-sized Enterprises Day is now marked by the United Nations in June.

**Ms. I. Rodríguez-Piñero Fernández (European Parliament)**

Our constituents expect us to ensure that women can benefit from trade. How can we effect the cultural change necessary to enable women to benefit fully from trade and stand on an equal footing to men?

**Ms. A. González (Executive Director, International Trade Centre)**

For me, the issue of women in trade should be viewed from an economic perspective. Although different cultural traditions exist across countries, all countries share a desire for economic growth. However, the potential for growth is likely to be adversely affected if around 50 per cent of the population do not participate in economic activities.

**Mr. J. Limo (Kenya)**

We should focus on building capacity and identifying opportunities for women to participate in trade. We also need to identify how to increase the number of women participating in trade and the total value of their activities.

**Ms. A. González (Executive Director, International Trade Centre)**

There are five areas to be addressed to ensure greater participation of women in the economy. First, policies, laws and regulations, as 93 per cent of countries have at least one law

discriminating against women in terms of economic participation. Second, access to finance, which is particularly challenging for small and medium-sized enterprises owned by women. Third, networks, as there are fewer networks for businesses owned by women. Fourth, capacity-building. Fifth, time for remunerated activities as women spend a disproportionate amount of time on non-remunerated activities.

**Ms. C. Pitiot (Argentina)**

How can we as parliamentarians legislate to ensure that women have access to finance? Why do you think that it has been easier for women to have their own e-commerce businesses?

**Ms. A. González (Executive Director, International Trade Centre)**

I think there are two reasons. First, women tend to own micro-enterprises, and it is relative easy for those businesses to participate in e-commerce. Second, e-commerce is more anonymous and discrimination is less evident than with respect to other forms of trade.

**Ms. B. Kenewendo (Botswana)**

Although women's participation in the economy and in e-commerce has increased over the years, including in Africa, inequality, poverty and unemployment continue to affect women. How can we simplify cross-border trade for small and medium-sized enterprises owned by women?

**Ms. A. González (Executive Director, International Trade Centre)**

Size and, thus, sensitivity to fixed costs constitute a problem for many women-owned businesses. Any efforts to reduce fixed costs will automatically help more women to participate in cross-border trade, and implementation of the WTO Trade Facilitation Agreement will help to reduce fixed costs in international trade. Because of red tape, unequal taxation systems, and an ability to supply quality products, many businesses owned by women are confined to the informal sector.

**Ms. A. Daffe (Parliament of the Economic Community of West African States (ECOWAS))**

What strategy can we implement to help promote women's economic participation, particularly as many women are unable to benefit from new technologies and e-commerce? Many women in Africa are unable to obtain guarantees in order to secure finance.

**Ms. A. González (Executive Director, International Trade Centre)**

Many people in Africa simply do not yet have the tools required to engage in e-commerce, namely a credit card and Internet connection. Women would be able to access finance if legislators acted to ensure that men and women have the same land ownership rights.

**Mr. A. Ashraf (Bangladesh)**

Why do we differentiate between men's and women's empowerment? Women's empowerment was a key element of the Millennium Development Goals, and men and women have equal rights.

**Ms. A. González (Executive Director, International Trade Centre)**

I wish the world was an equal place, but it is not. This is why Goal 5 of the Sustainable Development Goals calls for the achievement of gender equality and the empowerment of women and girls. If we ensure that equality becomes a reality our societies will be stronger and our economies will grow more.



# DIALOGUE WITH SENIOR WTO NEGOTIATORS AND OFFICIALS

## *What can we expect from MC 11?*

**Mr. Paul Rübig, Moderator**  
*Member of the European Parliament*

We have before us the chairpersons of some of the most active working groups for MC11. They will give us an overview of developments in their areas of work and their views on the possible outcomes of MC11 and benefits for our consumers.

I have three questions. What can small and medium-sized enterprises and people active in digital trade and services expect from MC11? Will we achieve a permanent solution at MC11 to the issue of public stockholding following the temporary decisions at the Ministerial Conferences in Bali and Nairobi? What can we accept with respect to fisheries subsidies and will the WTO be able to facilitate delivery of the Sustainable Development Goals, notably Goals 2, 6 and 7?

## INTRODUCTORY REMARKS

**Ambassador Stephen Ndung'u Karau**  
*Permanent Representative of Kenya to the United Nations Office  
and other international organizations in Geneva  
Chairperson of the Committee on Agriculture, Special Session*

I will be focusing on the area of agriculture, which has been a highly topical issue in Geneva, and I appreciate the engagement and involvement of my colleagues. We are most likely to achieve an outcome with respect to fisheries and the development of a work plan. However, I am still hopeful that we will achieve an outcome on some of the other agricultural issues.

We began with eight issues on the table and it was clear from the outset that members expected an outcome in four of them. They also envisaged a work programme and guidance on four issues, including export competition, sanitary and phytosanitary measures, and market access. Members also expect some input regarding the direction of the discussions and principles of a work programme on the issue of domestic support.



An interim solution on public stockholding was reached in Bali, and we were given the mandate to achieve a permanent solution by the end of 2017. There has been very heavy engagement in this area. I think it may be possible to deliver an outcome, and I trust in the judgment of the members.

With regard to cotton, we expect at the very least a reaffirmation of what was said in Nairobi. I am not very optimistic on the area of domestic support, and ministers have some decisions to make in this area during MC11. We would expect some progress on the issue export restriction, but we are in the hands of members.

It is up to the members to decide if there is going to be cross-trading between the issues.

### **Ambassador Héctor Marcelo Cima**

*Permanent Representative of the Argentine Republic to the United Nations Office and other international organizations in Geneva*

*Chairperson of the Council for Trade in Services, Special Session*

The problem with services is that the issue is being negotiated while trying to strike a balance with other topics. Many delegations are linking the issue of market access in services to market access in agriculture and are therefore reluctant to negotiate. Although some countries are seeking to put forward proposals here in MC11, others consider that domestic regulation limits their policy space and are reluctant to negotiate, leading to stagnation.

Negotiations in services have specific characteristics and we may not be able to make progress in Buenos Aires at the multilateral level concerning the issues of domestic regulation; some countries may decide to move forward at the plurilateral level. This has not yet been decided, and many members have expressed their readiness to continue to work towards a multilateral consensus on the issue.



There is a perception that it is difficult to achieve outcomes at the WTO given the difficulties in striking a balance among all topics. I think that the WTO is in transition and we are going to discuss how to proceed in Buenos Aires. The way forward depends to a large extent on you. Delegates in Geneva receive instructions from their governments, which receive instructions from you, the parliamentarians.

### **Ambassador Didier Chambovey**

*Permanent Representative of Switzerland to the World Trade Organization*

*Chairperson of the Negotiating Group on Market Access*

The Negotiating Group on Market Access deals with non-agricultural industrial, forestry and fisheries products with a focus on tariffs and non-tariff barriers. The aim is to facilitate trade and reduce complexities. Given the scale of the task, moderate progress has been made. The possibility of WTO members committing to negotiations to reduce customs duties is very weak at present.

With regard to market access for products and services, we have a proposal that seeks to improve transparency of regulatory measures to facilitate transactions for small and medium-sized enterprises. There are concerns and work has been polarized: on the one hand, we have the authors of the proposal and, on the other, we have developing countries that are fearful that their regulatory capacity will be limited. WTO is proposing to hold a debate on the issue of transparency of regulatory measures with a view to consideration of the matter at MC11.



## **Ambassador Marc Vanheukelen** *Permanent Representative of the European Union to the WTO*

We are living in delicate times in the WTO for two reasons. First, the politics of international trade have changed considerably in recent years. There is now much more scepticism about the gains from trade, which many believe are not evenly distributed. Second, multilateralism in general is under pressure.

Against this background, it is important that MC11 is a success, and there are three important elements for this. First, the 164 ministers must have a political discussion on a number of thorny international trade issues, including trade in e-commerce and trade in development, in order to advance the debates in Geneva. Second, some concrete deliverables, however incremental, must be achieved. Fisheries subsidies constitute a case in point. For the first time in the history of the WTO, we are delivering on a task entrusted to the organization by heads of State and government, because WTO is the only forum for devising binding rules on subsidies. Third, in the areas where it is not possible to achieve a concrete result, we should at least agree on concrete work programmes.

Over the last two years, the European Union has made many proposals to take forward the multilateral dossier. We are reasonably optimistic that concrete results will be achieved on a few topics. We are also hopeful that we will receive clear direction on how to take forward newer topics, such as e-commerce, investment facilitation, and small and medium-sized enterprises.



## **QUESTION- AND-ANSWER EXCHANGE**

**Ms. M. McGuinness (European Parliament)**



The European Union's agriculture policy has been transformed and has minimal trade distorting aspects. What is the view in the WTO of the current European agriculture policy, mindful that in the coming months we will be looking to reform our policies for the future, and ensure that our rural areas remain vibrant?

**Ambassador Ndung'u Karau**

In general, I think that European Union's agriculture policy is viewed very positively and is broadly welcomed. One area that is fairly controversial is the policy on cotton, particularly with respect to domestic support. The position of the European Union is well understood. However, those advocating action on domestic support believe that they have a passionate case and that Green Box issues should be considered.

**Ambassador Cima**

As one of the hosts of MC11, I wish to recognize the assistance received from the European Union in order to advance the negotiations.



### Mr. M. Abu Ruman (Jordan)



How can WTO work to achieve fairer and freer trade given the economic and financial disparities of countries? Do the same rules apply to all WTO members? Would tax exemptions exist for countries with weaker economies?

### Ambassador Cima

WTO negotiates rules and in turn provides flexibility to countries in recognition of different levels of development. This can be seen in the Trade Facilitation Agreement.

### Mr. N. Evans (United Kingdom)



Is anything going to be discussed at MC11 concerning value added aspects of agriculture? Value addition is where money is made, but artificial barriers to market access serve to ensure that this is often performed in developed countries. We are therefore helping to keep some countries poor while having to provide international aid to help address their impoverishment. Shouldn't the WTO take action to lower market restrictions and enable poorer countries to process the inputs they are growing, enabling them to obtain a fair share of the profits.

### Ambassador Vanheukelen

The question of market access is not on the table for discussion at MC11. This aspect of the Doha Round has been blocked since 2008, and many countries are now trying to liberalize market access at the bilateral or plurilateral levels, rather than at the multilateral level. Value addition is a fundamental issue. The European Union offers duty-free and quota-free access and has a number of free trade agreements with developing countries. It should be noted, however, that issues such as the need for compliance with health, safety and environmental standards are much harder to address than the removal of tariffs.

### Ambassador Chambovey

The issue you raise is a very important one. Despite our efforts, I'm afraid that we will not make much headway on market access in the WTO, which is a subject that is now being addressed in the context of free trade agreements.

### Mr. A. Lentoimaga (Kenya)



In my view, the WTO favours powerful and rich countries and developing countries have a raw deal. In Africa and the developing countries, multinationals are dominating trade, access to market and to transportation. What can the WTO do to ensure that developing countries are able to benefit from market access, including in Europe and America?

### Ambassador Ndung'u Karau

One of the cardinal principles of the WTO is special and differential treatment, and development is an important pillar of the WTO's work. A shift in mindset may be required to make further progress on outstanding development issues.

### Ambassador Cima

I have great respect for the economic power of African countries and I believe that WTO can establish a rules-based system that offers predictability and accepts the differences of countries.

### Ambassador Vanheukelen

The European Union considers that a country will achieve sustained growth if it becomes part of the global value chain. A number of enabling conditions are required for this, including the ability to attract investment. Aid-for-trade is important, as is ensuring the correct infrastructure to gain access to other markets.

### Mr. B. Gardiner (United Kingdom)

Any solution to the issue of public stockholding must be based on the premise that public stocks procured at subsidized prices by developing countries with the objective of fighting hunger or rural poverty should not be included in the calculation of a country's aggregate measurement of support.

If we are truly going to focus on addressing rural poverty, famine and emergencies, we cannot include in the final outcome document wording concerning adequate safeguards to prevent such mechanisms from distorting the international market.

### Ambassador Ndung'u Karau

There is a clear mandate to deliver on public stockholding by the end of 2017. Although proposals have been made on excluding certain stocks from a country's aggregate measurement of support, some countries are concerned about the possibility of situations being openly exploited. Many countries appear to favour a solution based on value of production. Countries are insisting on a guarantee that stocks should be procured for food security purposes, not for export.

### Mr. A. MacNeil (United Kingdom)



What value are fisheries subsidies perceived to have? In my experience, fisheries subsidies have improved safety, the fishing environment, and helped the younger generation enter the industry.

### Ambassador Vanheukelen

Fisheries subsidies, such as those aimed at improving safety and facilitating better reporting of catches, are clearly acceptable. However, those that encourage overfishing and those that contribute to overcapacity must be addressed.

### Ambassador Cima

I agree that those subsidies that support illegal, unreported and unregulated fishing, and encourage overfishing, including in the waters around Argentina, have to be addressed.

### Ms. A. Daffe (Parliament of the Economic Community of West African States (ECOWAS))



The budgets of many West African States are dependent on customs revenue. A single revenue system would simplify customs matters.



### Ambassador Chambovey

A single revenue system that could be implemented within a regional cooperation zone could facilitate trade and warrants further discussion by interested countries.

### Mr. S. Khan (Pakistan)



Almost 60 per cent of successful business people in the world are not highly educated. Has WTO ever considered the input of such people when making rules? In my experience, those producing man-made items from petroleum are receiving almost the same revenue as cotton producers.

### Ambassador Ndung'u Karau

We will talk more on cotton and other issues over the next few days, but I note that there are concerns from a health point of view regarding man-made products.

### Mr. K.A. Abu Saalik (Jordan)



Since the Arab Spring, Jordan's borders with Iraq and Syria have been closed, which has resulted in a significant decrease in exports. Moreover, one third of our population is made up of refugees from these two countries. Can we expect MC11 to develop special arrangements for those countries affected by conflict?

### Ambassador Vanheukelen

A waiver concerning exemption from income tax for profits on certain exports was accorded to Jordan following the massive influx of Syrian refugees, and will expire shortly. A decision on its extension will have to be taken by all the members of WTO, and the matter will be discussed in the coming months.

### Mr. H.P. Portman (EFTA Parliamentary Committee)



I am concerned about the position of the United States in terms of protecting its national market and companies. We have to make sure that the WTO is not at risk in the future, and consideration might be given on how to reduce dependency on the United States and the US dollar.

### Ambassador Chambovey

We managed to achieve concrete results at the Ministerial Conferences in Bali and Nairobi, primarily as a result of US leadership, which is a prerequisite for multilateral agreements. During the current year, the United States has not assumed quite the same leadership role as in previous years. It is currently reviewing its trade policy, including its policy with respect to the WTO. The renegotiation of the North American Free Trade Agreement (NAFTA) is the top trade policy priority for the United States at present. I hope that the United States will remain committed to the WTO and will also contribute to defining the future WTO agenda.

### Ambassador Ndung'u Karau



From my engagement with the United States, I understand that it wants MC11 to be a success. I also understand that it considers the WTO to be a very important organization and one that would have to be reinvented if it did not exist. However, it considers that there is room for improvement, particularly in the area of dispute settlement.

### Ambassador Vanheukelen

There is little purpose in speculating. The US President and the Washington establishment have made a number of critical statements on the WTO. However, the United States is still applying WTO rules. Although it has problems with the dispute settlement body, it is a heavy user of the system and wins more cases than it loses. On the basis of the information we currently have, it appears that the intention of the United States is not to withdraw from the WTO.

### Mr. B. Daaif (Morocco)

Poor countries should be able to benefit from fisheries subsidies.

### Ambassador Vanheukelen

In my opinion, if a country uses fisheries subsidies to modernize or refurbish vessels, this is something positive. However, when such subsidies lead to overfishing, they are not acceptable.

### Mr. E. Guerrero-Salom (European Parliament)

Is it possible to implement differentiated treatment for less developed countries, including incentives, to enable those countries to attain the requisite capacities for compliance with international trade rules?

### Ambassador Vanheukelen

The question is how special and differentiated treatment should be applied. Should it be applied to all developing countries, or only those countries in need? In the WTO, there are only two categories of developing countries: least developed countries and those countries that have determined themselves to be developing countries, such as South Korea. Has the time come to differentiate more, and to derogate from the rules for some beneficiaries in certain cases?

### Ambassador Chambovey

This is a fundamental problem. One solution is move away from categorization, particularly as certain countries with development levels comparable to European countries are defining themselves as developing countries for the purposes of the WTO. We might have to consider particular difficulties of developing countries based on objective criteria such as level of development, income, and capacity to implement agreements. Strategies to that end may include an 'opting-in' agreement, such as the Trade Facilitation Agreement, under which countries assume obligations in accordance with their capacity to do so.

### Mr. J. Bizet (France)

I believe that multilateralism is the best option for achieving a global trade balance. I agree that the concept of special and differentiated treatment, which is reserved for developing countries, needs to be reviewed.

### Ambassador Vanheukelen

The link between development and other pillars has been debated. We need to see countries in a different light, and our discussion should be more objective and less focused on specific problems. Many countries consider that topics identified for the rounds need to be addressed before tackling other issues, precisely because they deal with development. It is an extremely political issue that will have to be resolved sooner or later.

### **Mr. P. Rübig (Moderator)**

It is very clear that we have to work together to obtain the best outcome for the consumers, whose interests are paramount.

### **Ambassador Chambovey**

E-commerce is an important new area for trade in goods and services and has to be framed by global rules. We need to consider whether the current WTO rules apply to e-commerce transactions? A number of proposals have been made, in particular by the European Union, regarding the development of new regulations, including on consumer protection. I do not think that we are currently in a position to address more sensitive issues, such as data localization and flow. What we are striving to do is to prepare the ground for negotiations on e-commerce to begin in 2018.

### **Ambassador Ndung'u Karau**

Perhaps we should measure trade on its own terms. I remain optimistic that we can achieve outcomes at MC11, and I look forward to ministerial decisions and political guidance.

### **Ambassador Vanheukelen**

The WTO is going through a delicate phase and its central position in the world's trading system is at stake. Many countries are pursuing bilateral or plurilateral tracks, although we know that the multilateral track is preferable. If the WTO is to retain its central position, it has to remain relevant for both developing and developed countries by tackling issues relating to development as well as new issues such as trade and labour and the environment.

# SUBSTANTIVE THEME

## E-COMMERCE AND THE INTERNATIONALIZATION OF SMES

*Discussion paper presented by Ms. Emma McClarkin, Rapporteur, Member of the European Parliament*

Digital trade has grown exponentially in the past 20 years. It is estimated that e-commerce in goods and services represents already 12% of international trade, continuing to grow at a fast pace.

The rapid expansion of the internet and use of mobile devices, along with better payment options, and faster shipping and distribution have transformed commerce. These developments have created unparalleled opportunities for cross-border trade, for both consumers and businesses of all sizes.

The idea that international markets are only one click away has the potential to empower entrepreneurs and small businesses, by plugging them into global supply chains, with reduced costs and shortened distances.

It is worth highlighting the important role of a business model focused more and more on a business-to-consumer (B2C) approach, worth over \$2 trillion in 2016. B2C uses online platforms for better identification of customers, personalised offers, and faster communications.

These new trade models can be a key driver of business internationalisation, and economic growth. This applies in particular to small and medium-sized enterprises (SMEs), who are important players in the economy, contributing not only to value creation but also to deliver a more inclusive globalisation. In developed countries, SMEs account for approximately 70% of the jobs and generate between 50% and 60% of value added on average, whereas in emerging economies, SMEs contribute up to 45% of total employment and 33% of GDP. In least developed countries (LDCs), these companies can be a major contributor for integration, inclusiveness, and development.

The digital trade opportunities are many, but so are the challenges. Businesses operating in the digital space can face obstacles of all kinds: organisational; technological; or even legal. Nevertheless, the lack of a wide-ranging policy framework also causes great constraint to internet-led trade for SMEs.

So how can the trade rules, systems, and practises designed before the development of the internet adapt to the new ways of doing business and consumer behaviour?

### **I. Increase connectivity and capacity-building for E-Commerce**

For the internet to become a platform for international trade, access to it is required. Although internet access is growing globally, there are still many rural areas and developing economies that remain disconnected, due to lack of access to reliable power supplies, high transaction costs, and poor infrastructure.

Therefore, private and public investment is required, accompanied by appropriate regulations that address these shortages, such as:





- Interconnection rules that prevent overcharging;
- Rules that foster competitiveness and access of new players to the market;
- Access to mobile devices and broadband;

Connectivity also means physical infrastructure and the efficiency of operational procedures. Modern roads, ports, and airports are crucial for businesses to enter foreign markets and participate in Global Value Chains. Information and Communication Technology (ICT) must supplement the development of these structures with interoperable systems and standards for better communication and exchanges through digital platforms.

## **II. Create a policy framework that facilitates digital trade**

The transfer of data across borders is central to e-commerce. Consequently, restrictions in the free flow of data can halt international trade, discourage innovation, and limit consumers' access to a variety of products and services. Some restrictions have legitimate reasons, others are purely protectionist, intended to provide domestic companies with a competitive advantage.

If we want to support the growth of the digital economy, and our businesses' access to international markets, a set of rules that prohibit unjustified and discriminatory online policies must be in place. These are:

- Elimination of forced data localisation requirements;
- Limitations to internet content;
- Mandatory source code disclosure and censorship of foreign websites;

All these constraints increase the costs for SMEs of moving data globally, reducing the opportunities of the internet-enabled trade.

A number of other issues related to intellectual property rights (IPR), consumer protection, and data privacy require a balanced approach, giving the right level of trust to both sellers and consumers to provide the types of data for e-commerce to grow. This will also ensure right holders that their IP will be protected.

While these issues affect all businesses, they are particularly challenging for SMEs who might lack the capability and resources to identify infringements, and follow up legally.

## **III. Promote and accelerate SME participation in the global economy**

Data shows that SMEs who trade via e-commerce are 5 times more likely to export; therefore, advancing the digital agenda in the policy space without addressing the problems SMEs face in the digital environment could marginalise them further.

When companies sell goods and services online they still face traditional hurdles to cross-border trade such as market access barriers and high compliance costs. Widening regulatory convergence and cooperation, and simplifying customs procedures, also on low-value goods, would significantly change small businesses' perception on e-commerce, and help them access foreign markets. Streamlined measures and reduced duties for returned items, many times facing double taxation and cumbersome paperwork through customs, could be a good way to start.

Additionally, shortage of skills and burdensome procedures for online registration, electronic billing, payment facilities, track and trace, and customer support can be a burden for SMEs, and limit SME productivity and innovation. SME e-readiness to export is therefore contingent on adequate equipment and appropriate training on how to access digital platforms, but also on how to deal with different taxation systems, regulations, and corporate governance structures.

This can be done through export promotion schemes by the national export promotion agencies, or in cooperation with the private sector, who would have the necessary tools and expertise to provide these skills.



#### **IV. Access to international online payment tools**

Buying and selling online requires international payment options, either via credit card or through intermediary payment systems. This can be particularly challenging for SMEs, especially in the developing world, where the low use of credit cards and consumers' preference for cash-on-delivery payments prevents businesses from trading online.

Secure and reliable digital payment mechanisms are crucial to build the trust in using the internet for international trade. However, other measures can encourage consumers to use the internet for international trade, such as:

- Greater clarity on regulatory approaches that address legitimate concerns and security threats;
- Removal of currency caps and government instructed ceilings limiting the value of cross-border purchases;
- End of restrictions on foreign companies facilitating currency transactions;
- Easier identification of the end-customer through internet service providers;

#### **V. Access to trade finance and credit facilities for online sellers**

For many SMEs, access to finance is hindered by a range of obstacles. This is an area where policy intervention to address these failures is well recognised. Credit constraints are especially severe in medium and low-income countries, where lack of funding is regularly a barrier to SME establishment and development.

For example, in Africa, over 60% of SMEs point out lack of access to finance as detrimental to their engagement in cross-border e-commerce. More than 50% of SME credit applications are turned down, whilst less than 25% of large companies' applications are rejected.

Credit conditions for SMEs must be facilitated, from both the private sector financial institutions and governments' export finance agencies.

In the last 10 years, the spread in the average interest rates charged to SMEs and to large firms has broadened. This means a more balanced approach is required, that offers special conditions for SMEs along their lifecycle, including guidance and resource to diversified financing sources. Building on the G20-OECD High-level Principles on SME Financing with concrete action is imperative.

#### **VI. Expansion of trade in services**

The internet has also played an important role in the growth of trade in services. Educational, financial, professional, and legal services, to name just a few, are now delivered online. The speed with which they reach websites and social media, targeting new markets and niche consumers, creates the space and conditions for entrepreneurs to run almost everything from an e-commerce setting.

Cutting barriers to trade in services is part of the WTO agenda but progress remains slow; therefore increasing market access commitments in services should be pursued at plurilateral and bilateral levels, without detriment of the multilateral policy objectives.

The expansion of the Information Technology Agreement (ITA), the Trade in Services Agreement (TiSA), and the WTO E-Commerce Work Programme should remain priorities and used as a forum to address digital trade issues.

#### **VII. Multi-stakeholder approach**

The topic of digitalisation is wide-ranging, but having different international bodies dealing with it could incur the risk of fragmentation of the digital trade policy agenda. This is why a holistic approach and cooperation at multilateral and regional levels can help advance regulations on matters of the digital agenda.

Current and upcoming digital trade policies could also be enhanced by complementary work done by the private sector and even NGOs on cross-cutting dimensions of e-commerce, working towards assisting SMEs in seizing the opportunities of the internet. There is already positive work being done at international level, but more could be pursued targeting specific communities and geographical areas for the implementation of capacity-building plans.

Another area where multi-stakeholder can add value, especially the private sector, is dispute settlement for digital trade. Businesses should be encouraged to set up voluntary, well-timed, and operational instruments for handling complaints and settling cross-border disputes. The public-private cooperation in this space could facilitate the take up of SMEs for international e-commerce and provide the right sense of security to buyers in the digital environment.

### **VIII. E-Commerce for inclusive trade**

Inclusive trade means making sure that countries across the globe can make use of the benefits that globalisation brings through the extension of trade, at multilateral, plurilateral and bilateral levels. Integrated markets produce greater opportunities for growth and a greater number of jobs, which can lift people out of poverty.

E-commerce allows an open environment and broader access to the economy if the right policies are in place. SMEs have a key role to play in this, since they are often locally rooted, and frequently represent an important source of knowledge, business opportunities, jobs, and income in their local communities. This leads to more inclusiveness, and a fairer distribution of the profits of globalisation.

People who see themselves excluded from the labour market can find in digital platforms a new way to access global markets as it was not possible before. Exploring this potential is about encouraging individual entrepreneurs and SMEs to do business globally.

Digital trade has also the ability to empower women and be a significant tool in the path to gender equality. E-commerce can be a platform for female entrepreneurs to market their products and services in equal terms as men, levelling the level-playing field for women-owned businesses. This enables women to conciliate their professional and private lives, and helps them work and build companies in cultures where they do not play an active role in society, and lack the professional networks and resources only available to men.

### **In Conclusion**

The digital revolution is consuming every aspect of our lives: from how we order and consume food to how doctors and nurses treat us. The many challenges we face are exceeded by the enormous potential of the digital economy, but in order to achieve it, our focus should be on how digital and digitally supported services operate across borders, and how this drives cross-border trade and economic growth.

We must enable connectivity, share best practice in the roll out of broadband and mobile technology. Encourage private and public investments in technology and reduce barriers to online trade.

The size of our small businesses cannot be underestimated in this process, and we should look instead at the real output they bring in terms of economic gains and social change. SMEs producing niche products can find customers for their goods and services through online marketplaces. Granting them the conditions to grow and penetrate foreign markets via e-commerce is a winning solution and a development facilitator.

### ***Discussion paper presented by Mr. Joseph Hyacinthe Owona Kono, Rapporteur, Member of Parliament (Cameroon)***

E-commerce represents an opportunity for economic development and should form the basis of SME strategy as a driver for growth and job creation. Growth and job creation are two key areas that have been at the forefront of WTO's work for almost two decades. It is worth recalling a few noteworthy moments and dates that have advanced those issues in 2017:

- On 1 and 2 March, WTO Members, via the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS), discussed e-commerce issues related to intellectual property, access to medicines, and the role that intellectual property should play in enabling small businesses to take part in trade.

- On 14 March, the WTO Committee on Trade and Development discussed how e-commerce could foster development.
- On 25 April, the WTO Director-General, Mr. Roberto Azevêdo, while addressing the first ministerial meeting of the Friends of E-commerce for Development (Argentina, Chile, Colombia, Costa Rica, Kenya, Mexico, Nigeria, Pakistan, Sri Lanka and Uruguay), noted that many WTO Members wanted to set a path forward for discussions on e-commerce, with a view to ensuring that e-commerce supported growth and development in the years to come. He said that “engagement is high”, but if WTO Members wanted to make progress, they would have to turn that engagement into “real proposals”.
- On the same day, the Director-General welcomed Mr. Jack Ma, Executive Director of Alibaba and Special Advisor to the United Nations Conference on Trade and Development (UNCTAD) for Youth Entrepreneurship and Small Business, to discuss how e-commerce could help SMEs grow their businesses and thereby boost development and job creation around the world.

The aforementioned WTO activities provide a good overview of the concerns that nowadays underpin the regulation of international trade. What role should parliaments play in the development of e-commerce? How and why should the WTO support parliaments in the implementation of the accompanying rules for e-commerce, particularly in the case of SMEs? How can these measures promote economic development? These questions serve to highlight the fact that not only does e-commerce in and of itself merit special attention, but also that its development calls for the input of a wide range of stakeholders, including parliaments.

The establishment of a framework for cooperation between the various States should serve as a benchmark. Parliaments in their capacity as lawmakers should assist governments in designing instruments that support the development of e-commerce.

Parliaments should help to make e-commerce profitable for SMEs by focusing on the following three areas:

- Adopting legislation to ensure trade-related electronic transactions are secure. To this end, steps must be taken to ensure the reliability of the connection (how to guarantee that you are dealing with the genuine and correct partner?), the product (how to guarantee that the product meets the desired quality assurance standards?) and the financial transaction (how not to lose money in doubtful transactions?).
- Establishing policies concerning Internet access in developing countries. The development of ICTs is in itself a job creation factor and access to the Internet makes it possible to form partnerships. Electronic payment is nowadays one of the most sought after financial frameworks in developing countries.
- Strengthening legislative capacity in order to provide SMEs with a series of incentives for wealth creation. In this regard, trade can contribute to the outsourcing process and enable SMEs to produce services readily accessible for other countries. Parliaments must encourage States to invest in training, particularly in computer engineering and associated professions related to ICTs.

In that context, the WTO should provide incentives to promote the development of e-commerce, so as to encourage parliaments to move in that direction. This would call for training and awareness workshops to be held for parliamentarians so that they are able understand the wisdom behind this approach, particularly for developing countries.

A tripartite system incorporating the WTO, e-commerce and economic development should ensure that the poorest countries are better represented in international trade. The African, Caribbean and Pacific Group of States represents an inclusive framework in which to discuss such strategies. WTO should pay close attention to the outcomes of those discussions since the group brings together a set of culturally diverse countries whose economic trajectories and access to ICTs can guide the experiences of the respective members.

The tragic immigration situation and recent images of the sale of human beings in Libya must, more than ever, spur on parliaments and all stakeholders involved in wealth creation, and, in this respect, should serve as a foundation for a fairer world. Economic development should prevent this kind of tragedy in the future and ICTs have a key role to play in that regard.

*Introductory remarks by Ms. I. Rodríguez-Piñero Fernández,  
Moderator (Member of the European Parliament)*

I think it is critical to advocate for global governance of trade. The world is more interconnected than ever before. Technological development, digitization and Internet access are transforming our economies, trade and society. Some 60 per cent of the global population are Internet users, and internationalization of the economy is an important factor in promoting growth, employment and trade.

SMEs can become micro-multinationals and women can become successful international businesswomen. However, where there are opportunities there are also challenges, including lack of technological awareness, monopolization of the Internet by large companies, and barriers to digital trade. As parliamentarians, it is our responsibility to turn these challenges into opportunities by ensuring that our governments implement the necessary policies. To this end, they must provide greater investment in human capital, build the communication infrastructure necessary to ensure Internet access and provide appropriate services, and develop an adequate regulatory framework.



Digital trade has been discussed at length by the European Union, and we have identified a number of key principles to be taken into account in trade negotiations. First, ensuring access to the international market of digital goods and services, creating the conditions to ensure fair competition in e-commerce and facilitate cross-border e-commerce. Second, ensuring that the rules regulating e-commerce benefit the consumer. Third, promoting respect for fundamental rights in the area of digital trade, which include neutrality of the network, data protection and cybersecurity. We also need to consider the labour rights of those operating through the Internet and the need for multilateral rules to address the challenges of regulation.

We need to promote the establishment of a WTO working group to address these issues and ensure that digitization leaves no one behind. As a minimum, I think that agreement has to be reached on measures concerning transparency, consumer protection, e-payment, non-discriminatory treatment for online services, market access, technical assistance and training for less developed countries.

*Introductory remarks by Ms. E. McClarkin, Rapporteur  
(Member of the European Parliament)*

Digital trade, which now accounts for 12 per cent of international trade in goods and services, has grown exponentially over the previous 20 years, and offers enormous opportunities as Internet use continues to grow. It is enabling SMEs to become part of global supply chains and we, as policymakers, need to help these businesses grow and flourish by putting in place the frameworks to facilitate cross-border trade. However, the rules-based trade system created in the twentieth century is no longer fit to respond to the new landscape and we have the opportunity to plan for a future of globalization and rapid growth in the digitization of trade.

While digitization offers huge opportunities, it also presents organizational, technological and legal challenges, which we have to overcome. We need to: promote public and private investment to increase connectivity and capacity-building for e-commerce; create a policy framework that facilitates digital trade and the cross-border flow of data; promote and accelerate SME participation in the global economy, including by looking to reduce market access barriers and high compliance costs; facilitate access to secure and reliable international online payment tools as a means of building trust in the Internet for international trade.

Trade in services is another area requiring attention and the expansion of the Information Technology Agreement, the Trade in Services Agreement and the WTO e-commerce work programme should remain the focus of our efforts.

A multi-stakeholder approach should be taken to advance regulations on matters of the digital agenda. If the correct policies are in place, e-commerce will promote an open, inclusive environment and broader access to the economy. It will also empower women, create employment and lift people out of poverty.



## QUESTION-AND-ANSWER EXCHANGE

### Mr. S. Dasgupta (India)



Access to the Internet is uneven throughout the world and sometimes even within a given country, so I think that the concept of inclusivity in the context of e-commerce may be somewhat premature. It is a goal to which we should aspire. Efforts to overcome regulatory concerns must be preceded by the establishment of certain domestic regulatory frameworks, and this will take time. Should we work towards establishing a working group or should we hold broader consultations with a view to exchanging best practices before embarking on negotiation? At all events, we have to ensure that a pioneering technology of the 21<sup>st</sup> century does not have a politically disruptive effect at the national level.

### Mr. A.D. Manpaka Mankamba (Belgium)

Immigrant entrepreneurs are also vital for inclusive international trade and economic growth. How can we encourage the international trade of SMEs run by immigrants?

### Ms. Q. Fangli (China)



E-commerce, which has grown rapidly in recent years, provides unprecedented trade opportunities for SMEs, promotes women's employment and poverty eradication. How can we foster the development of cross-border trade for SMEs using multilateral e-commerce rules?

### Mr. J. Limo (Kenya)

Confidence is essential to promote e-commerce. As a confidence-building measure, the Chamber of Commerce of each country might consider establishing a registration system for e-commerce businesses that are considered to be low risk and to follow good trade practices. The information could be shared at the international level.

### Ms. S.F. Hosseini (Islamic Republic of Iran)



It is important to ensure that SMEs contribute to cross-border trade. The technical capabilities of SMEs could be improved through legislation and public and private efforts to improve infrastructure. Policy interventions to facilitate credit access for SMEs would be useful, and the establishment of clusters would help to reduce fixed costs. What can WTO do to facilitate cross-border trade for SMEs?

### Ms. E. McClarkin, Rapporteur

It is becoming evident that e-commerce is a powerful tool for delivering inclusive trade, and we need to focus on connectivity for all so as to ensure that we do not create a digital divide within our societies. The intellectual property of SMEs needs to be protected and respected online. While the domestic framework is important, the regulations of countries should not be so different as to inhibit online trading, and we need a multilateral solution to address this issue. E-commerce is particularly beneficial for women as it provides the flexibility and opportunity to enable them to reengage in the business environment. I agree that we need to make it easier for SMEs to obtain access to credit and finance and to build trust in the digital marketplace by making it secure. Coordination and the exchange of best practices are also required.



Countries advancing rapidly in the area of e-commerce need to share their knowledge with developing countries to ensure that all are able to benefit from the opportunities of the digital market.

**Ms. I. Rodríguez-Piñero Fernández, Moderator**

If WTO is to facilitate cross-border trade, we need to identify the barriers to such trade. It is important to establish a working group to share experience with a view to developing regulations and promoting inclusiveness. I agree that public policies are essential to promote safe e-commerce, and countries need to cooperate in order to identify solutions to the challenges to be addressed.

**Mr. B. Gardiner (United Kingdom)**



Large e-businesses are seeking to prohibit data localization requirements that would enable developing countries to develop their own digital industries. The outcome document might therefore call on WTO members to reaffirm their commitment to expedite the 1998 work programme on e-commerce to ensure maximum benefit for digital industries in all countries, thus creating real competition in the market, rather than market dominance.

**Mr. J.E. Okounde (Benin)**



Should we consider setting a time frame for the establishment of minimum connectivity

requirements with a view to overcoming inequalities in access that exist between countries of the North and South?

**Ms. M. McGuinness (European Parliament)**



Connectivity is key. Even in the European Union, only around 40 per cent of rural households have next generation access.

The waste created by Internet trade is not being tackled because it is outside national waste management systems and controls. Do you consider this a cause of concern, particularly as the volume of such waste is likely to increase in the future?

**Mr. D. Gamede (South Africa)**



What steps can be taken to ensure that developed, developing and least developed countries achieve equity in e-commerce?

**Mr. B. Shinali (Kenya)**

There are a number of weaknesses regarding e-commerce, including the possibility of huge revenue loss in the absence of a strong public finance framework in least developed countries and very limited Internet access for rural SMEs in many least developed countries. WTO agreements and decisions should be followed up

to ensure that legislation is enacted and budgetary provision made for their implementation.

**Ms. E. McClarkin, Rapporteur**

I don't think data localization is the solution. Many of the big businesses that some think are dominating are actually helping our SMEs. We should not be creating a two-speed and two-tier digital world. The balance we need will be achieved by opening our markets, not by closing them. We don't want to see a North-South divide, and we need to focus on ensuring connectivity, including for rural areas, and establishing public-private partnerships in order to roll out the technology required. Waste is a general problem in trade, and we do need to find solutions for the waste generated from e-commerce, which is likely to increase as consumers purchase more online. We need to identify ways to enable all countries to work together and make things better for the next generation.

**Ms. I. Rodríguez-Piñero Fernández, Moderator**

The digital divide exists for two reasons: first, because of a lack of connectivity and access; and second, because large companies are establishing barriers to access. A coordination strategy for technical cooperation should be developed to help countries build the infrastructure they need. Also, if private sector investment is to be forthcoming, legal certainty is required, and we need to establish the conditions for all countries to move forward.

**Ms. A.M. Nazario (Argentina)**



I would support the establishment of a working group, which will help to address the challenges and differences within and between countries in regard to Internet access and e-commerce.

**Mr. S. Hasan (Indonesia)**



How can we encourage SMEs to take advantage of the huge opportunities that e-commerce offers, particularly given the challenges those businesses face in terms of access to finance? Can SMEs be given assistance through the provision of financial technology and training? The WTO should also encourage governments to support SMEs.

**Ms. B.J. Kenewendo (Botswana)**



We need to recognize the situation of African and least developed countries and the impact of limited connectivity on entrepreneurs and industry. We also need to consider how the negotiations on e-commerce will affect customs and revenue. The issue goes beyond trade and will have implications for the delivery of public goods. I would suggest individual studies prior to negotiations in order to understand the position, strengths and weaknesses of each country. We have to make sure that no country is worse off than before.

**Ms. E. McClarkin, Rapporteur**

We need to listen to industry, businesses and consumers in order to achieve the solutions we require. If SMEs are to take advantage of e-commerce, we have to reduce barriers and



compliance costs, increase access to finance through diversified finance sources, and help to identify new markets. We have to make SMEs and their internationalization a priority. We have to welcome innovation and technology and do things differently, although this will be difficult.

**Mr. J.C. Lloret Valdivieso (Ecuador)**



How do we include SMEs in e-commerce when they do not have access to the infrastructure they need? Who needs to make the investment to enable such businesses to overcome the barriers they face? Also, how can we make the Internet more democratic and ensure that certain large corporations abide by international rules and do not continue to dominate?

**Mr. M.G. Wechsler (Argentina)**

Technology is evolving with such speed that we will simply not be able to keep up with new developments, including increased use of automated machinery. We do however need to ensure that the infrastructure is in place for the continued collection of taxes.

**Mr. A.B.T. Islam (Bangladesh)**



How do we ensure that creativity continues to flourish in all settings to foster an inclusive society?

**Mr. H. Scholz (European Parliament)**

If we, as lawmakers, do not act to put in place rules concerning digital trade and e-commerce, the large corporations will seek to use their own rules. We need to be mindful of the digital divide between developed and developing countries and consider what is the most appropriate forum for establishing the rules. This is an important issue that should be addressed at a future parliamentary conference.

**Mr. M.M.A. Abu Ruman (Jordan)**

I ask you as parliamentarians and messengers of peace to hold a minute of silence against the US Administration's decision to recognize Jerusalem as the capital of the Israeli occupying regime.

**All present stood in silence for one minute.**

**Ms. K. Riklin (EFTA Parliamentary Committee)**



WTO should take action against action to prevent Internet geo-blocking

**Mr. J.L. Lavalle Maury (Mexico)**

While regulation is a national matter, the working group should identify an acceptable baseline level for public policies in order to generate certainty for users.

**Mr. S.M. Khan (Pakistan)**

While legislation is a matter for each country to determine, the aim should be to make cross-border trade for SMEs easier.

**Ms. E. McClarkin, Rapporteur**

While we are never going to be able to keep up with technology, we need to increase our understanding of technology and how it operates.

We can, however, help to lead our SMEs to the experts and to those who can help facilitate trade. We have to make our work 'future proof' and allow flexibility for innovation. Our decisions should be fully informed to ensure that we do not exacerbate the digital divide or limit future innovation. We are moving towards a cashless society, which, if done correctly, will actually generate more revenue for our countries. We need to find different business models where geo-blocking is an issue.

**Ms. I. Rodríguez-Piñero Fernández, Moderator**

The debate has highlighted the need to discuss the issue at all levels. We have to ask our

governments to take the necessary measures to ensure that the digital economy becomes an opportunity for all.

The Ministerial Conference should create a working group to address the diverse and complex reality that exists and how it can be regulated. If we cannot establish rules we will not be able to have oversight. A tax on financial transactions would provide a huge source of revenue that could be used to finance the infrastructure for Internet access. Regulations to ensure that the large multinationals pay taxes commensurate with the money earned in a given country must also be put in place.





# SUBSTANTIVE THEME

## THE ROLE OF MULTILATERALISM IN TIMES OF RISING PROTECTIONISM

*Discussion paper presented by **Mr. Paul Rübig**, Rapporteur,  
Member of the European Parliament*

The election of protectionist leaders, Brexit and the rise of populism have led to a proliferation of analyses on the crisis of multilateralism and of the liberal order.

Simplistic messages, or even old-fashioned theories of mercantilism describing trade in black-and-white terms of winners and losers based on balance sheets, have come to dominate the debate, far from the more complex reality of Global Value Chains and despite all the benefits that the multilateral system has brought.

Multilateralism has been at the core of global trade governance since the end of World War II.

The multilateral trading system, first under the General Agreement on Tariffs and Trade (GATT) and later in the World Trade Organization (WTO), has managed to increasingly integrate countries' economies over time and tempered unilateral approaches to international trade.

Under the GATT, the number of participating countries increased from 23 in the first round in 1947 to 123 in the Uruguay Round. This number has today increased to 164 in the WTO, including the majority of the world's emerging markets, which corresponds to 98 % of global trade.

Overall, the WTO makes global trade governance predictable, transparent, enforceable and uniform. It is also a fair system, in that all member states' voices, including small developing countries, carry the same weight, as WTO decisions are taken by consensus.

But in spite of the numerous achievements of international institutions, we do see a backlash against trade. Populist movements have risen on the back of ideas of reclaiming national powers, and are based on the dislike of limits on sovereignty and of powerful institutions, such as the EU, the WTO, NATO and others. Meanwhile, certain member states explicitly expressed preference for bilateralism over multilateralism in trade, while questioning several existing multilateral arrangements in climate, development, humanitarian, trade and security policy and proposing to reduce funding for several international institutions.

### 1. The crisis of multilateralism

Yet, debates on the 'crisis of multilateralism' are not new. Criticisms regarding the functioning of multilateral institutions have abounded, particularly since the beginning of the 21<sup>st</sup> century and the rapid changes it has brought – including in the global balance of economic power, in geopolitics and in technology. Already towards the end of the 1990s, attitudes towards multilateralism became more sceptical, largely as a consequence of a crisis in the collective security system, a central cause of which was the failure of the United Nations, the 'intended centrepiece of multilateralism' to guarantee a global system of collective security and to deal with a number of conflicts and threats that emerged with.



At the same time, multilateral institutions have become 'disconnected from publics in the very countries that created them'. This phenomenon is aggravated among groups that are perceived to have been negatively affected by globalisation, such as workers in the traditional manufacturing sectors in developed countries. Populist parties advocating nationalist and xenophobic views often draw their political support from such disaffected groups.

## 2. Do we see protectionism on the rise?

Protectionist policies are not limited to specific countries. In fact, while the WTO was an important actor in preventing that Members resorted to protectionist measures during the financial crisis of 2008, we have since then experienced an increasing number of restrictive measures. Because G20 put a special monitoring mechanism in place, we do have a precise picture for those countries. We know for example that the share of G20 imports affected by trade-restrictive measures put in place since the global financial crisis continues to rise gradually, reaching 6.5 percent as of November 2016.

In the 2016 WTO monitoring Report on G20 trade measures, the WTO noted that between mid-October 2015 and May 2016, G20 economies had introduced new protectionist measures at the fastest pace seen since the 2008 financial crisis.

The situation has only slightly improved since then. During the following review period from 16 October 2016 to 15 May 2017, a total of 42 new trade-restrictive measures, including new or increased tariffs, customs regulations and rules of origin restrictions, were recorded for G20 economies, amounting to a monthly average of six measures.

The role of trade in the global economy is at a critical juncture. Increased trade integration helped to drive economic growth in advanced and developing economies in the latter part of the 20<sup>th</sup> century. Since the early 2000's, however, a slowdown in the pace of trade reform, a post-crisis uptick in protectionism, and risk of further reversals have been a drag on trade, productivity, and income growth. It need not be that way. With the right policies, countries can benefit from the great opportunities that trade brings *and* lift up those who have been left behind. Those policies ease adjustment to trade, as well as strengthen overall economic flexibility and performance.

The sharp slowdown in global trade in recent years is both a symptom of and a contributor to low growth. From 1960 to the eve of the global financial crisis in 2007, global trade in goods and services grew at an average real rate of about 6 percent a year, which was about twice that of real GDP growth during the same period. This has dramatically changed. While rates of investment and of economic growth have weighed on trade, recent trade growth has been some 1 to 2 percentage points a year less than would have been expected based on the historical relationship between trade and these macroeconomic factors, according to IMF.

## 3. WTO and multilateralism deliver

Still, we need the WTO more than ever and protectionism is not the answer to current concerns. The WTO provides a unique system of governance found in no other international arrangement. No regional or bilateral agreement can replace it. It is the foundation upon which all regional and bilateral trade agreements build. Without the WTO, the world economy would be fragmented, as it was before the Second World War and which in the view of some historians was a factor that made that war more likely. In today's world, trading relationships could degenerate into an unhealthy regionalism. In addition, without the WTO, there would be no adequate counter to domestic demands for protection, particularly in agriculture, where food security as well as interest politics plays a role.

We have also recently seen that the WTO delivers, for example through the Trade Facilitation Agreement agreed in Bali or the expansion of the Information Technology Agreement, concluded in Nairobi. These were far from minor achievements. The Trade Facilitation Agreement alone is considered to be the equivalent of elimination of over a 14% average tariff on world trade. That is nearly double the current average actual tariffs in place. And the Information Technology Agreement provides for a tariff-free environment for over \$1.3 trillion

per year of global trade. However, we should not rest on our laurels. We need to deliver concrete outcomes including on domestic regulation in services, e-commerce, investment facilitation, horizontal subsidies and improving transparency, as well as good regulatory practices for the benefits of SMEs.

In a longer perspective, we know that trade openness, underpinned by the expansion of the multilateral trading system, has brought about higher productivity, greater competition, lower prices, and improved living standards. Trade-related shifts in the allocation of resources across sectors and firms and adoption of new technologies have generated productivity gains. On the consumption side - this is too often forgotten - open trade has led to wider choices and lower prices of many goods and services, benefitting especially lower-income households who consume a disproportionately higher share of tradeable goods and services. Trade is estimated to have reduced by two-thirds the price of the household consumption basket of a typical advanced economy low-income household.

These are some of the reasons why we need to defend the rules-based trading system!

#### 4. We cannot continue with “business as usual”.

Even if protectionism or criticism of multilateralism are not new and certainly not limited to a few Member States alone, we do have a fundamentally new situation with one of the greatest promoter of the WTO, with a leading role, having completely changed rhetoric and approach. President Trump has outright said that if WTO decisions go against the US, he will consider not to abide by the rulings. We also see that the dispute settlement system and the Appellate Body is currently been taken as a hostage and there is little appetite for having any major advancements.

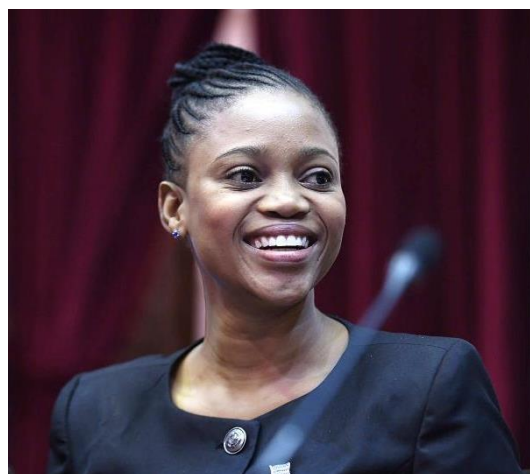
I think there has not yet been the necessary adjustment to the new reality. We all have to step up our efforts to make the WTO work, whether we live in advanced, emerging or less developed countries.

WTO has played a pivotal role in promoting an inclusive world economic order and fostering an open, rule-based and non-discriminatory multilateral trading system. It plays a crucial role in promoting global economic growth and sustainable development, in creating jobs and wellbeing, and is a key element to achieving the United Nations Sustainable Development Goals (SDGs).

All this is well worth fighting for, so let's step up our efforts and do our best to contribute to making both the Parliamentary and the Ministerial Conference a success. This is what our citizens need.

*Discussion paper presented by Ms. Bogolo Kenewendo, Rapporteur,  
(Member of Parliament, Botswana)*

There is currently a crisis of confidence in the benefits of globalization and the concept of multilateralism. This narrative has become even more widespread following the election of President Donald Trump who is seeking more protectionist policies, reversing some of the global agreements that were already in place. Such protectionist approaches however are not only limited to the current regime in the United States; they are also rampant in certain developing and least developed countries (LDCs) where they are being fuelled by high rates of social and economic inequality.



Protectionist policies give leaders political mileage; however, they pose a great threat to global trade which has now had growth rates of below 3% for 5 years straight. There are lessons to be learned from the great depression when protectionist policies failed countries and global economic growth; it is for the WTO and other multilateral institutions to avert an impending crisis and reaffirm their role in a changing world. This means that the WTO and related organizations must engage in institutional reforms that are in line with the current global demands and the world state, embrace technology and foster the growth of regional economic blocks.

**1. Global Trade Reforms:** The world is changing rapidly while the institutions and rules that form the backbone of multilateralism have been slow to respond. The role of multilateralism is therefore to start focusing on issues that have become more relevant to countries, especially developing countries, including how to facilitate the engagement of Small, Medium and Micro-sized Enterprises (SMMEs) in cross-border trade and global value chains. These represent areas of great opportunity for developing and landlocked countries.

Furthermore, there is a need to strengthen transparency, urgency in dispute resolution, technical assistance to developing countries and the inclusivity of governance structures.

- a. **Fair Trade:** How to deal with countries with unfair advantages that manipulate currencies to strengthen their trade flows and those countries using untraditional forms of non-tariff barriers (NTBs). Since the multilateral system works to reduce tariff barriers and make credit available, tariffs and subsidies are on a long-term downward trajectory. Unfortunately, NTBs are on the increase and pose a greater challenge to trade since protectionist intent or harmful NTBs are harder to identify and their effects not as easily quantifiable as those of tariffs and subsidies. To make improvements in this area, the WTO should make more resources readily available to identify and deal with NTBs effectively.
- b. **Agility:** How to deliver important decisions quickly. Several decisions have been taken at the WTO's 10<sup>th</sup> Ministerial Conference in Nairobi. There is a concern that the Doha Development Agenda has been neglected; this is all the more saddening since it has been in discussion for more than a decade and a half. We welcome the adoption of the Nairobi Package, a series of six Ministerial Decisions on agriculture, cotton and issues related to the LDCs, and recognize the need for WTO Member States to implement the outcomes contained in the Package swiftly.
- c. **Inclusivity and Independence:** How to deal with the issues and interests of all WTO Members and not be seen to have an inherent bias towards one geographical group. The WTO needs to be more inclusive and must be seen to be fully representative of all geographical groups without an inherent bias.

**2. Embracing Technology and Innovation:** This must be undertaken in line with the expansion of the Information Technology Agreement. Technical assistance should be provided to developing countries in terms of the digitization of trade. The digital economy should also feature on the agendas of major WTO discussions concerning the inclusion of vulnerable groups, especially unemployed young persons.

**3. Implementing the Trade Facilitation Agreement:** Steps must be taken to move beyond ratification and ensure that the Agreement is implemented and its benefits reach small and medium-sized enterprises (SMEs), the backbone of most economies. A WTO study states that full implementation of the Agreement is forecast to slash Members' trade costs by an average of 14.3 per cent. The study further notes that once the Agreement is fully implemented, developing countries are predicted to increase the number of new products exported by as much as 20 per cent, with LDCs likely to see an increase of up to 35 per cent.

**4. Support Regional Economic Communities as Building Blocks for Multilateralism:** Strengthened regional economic communities (RECs) should not be seen as a threat, but rather as building blocks for multilateralism. The WTO and other multilateral institutions must improve their efforts to strengthen RECs and their free trade agreements. Given that many people view globalization as a threat, the strengthening of regional economic communities remains a favoured solution. Such an approach can be used as a means of getting the globalization agenda back on the right track.



Reenergizing the multilateral trading system depends on it being seen as inclusive and working for vulnerable groups. The theoretical benefits of trade need to be translated into reality given that trade is indeed a solution to the myriad of problems that leaders are wrestling with today. Multilateralism should promote the narrative of the Sustainable Development Goals.

*Introductory remarks by Mr. Anurag Singh Thakur, Moderator  
(Member of Parliament, India)*

This session will give us an opportunity to discuss the ways in which the WTO can become more effective in providing a shield against protectionism. We should seek answers to the following questions. Can we identify the reasons why trade and globalization are increasingly viewed with scepticism and suspicion in both developed and developing countries? Is there a link between the public perception against globalization and the rising tide of protectionism in some countries? How successful has the WTO been in containing protectionist tendencies in certain countries? How can the existing provisions of WTO agreements become more effective in containing protectionism? What adjustments need to be made by WTO members to contain protectionism?



The WTO was established 22 years ago with the objective of establishing an integrated, more viable and durable multilateral trading system. It would appear to be significant improvement over the General Agreement on Tariffs and Trade (GATT) both in creating a predictable and stable trading regime through the overarching multilateral framework of rules, and in providing a binding dispute settlement mechanism. The WTO can justifiably take considerable pride in its success in preventing its members from sliding into trade protectionist mode after the global financial crisis. However, it is a sobering reality that WTO's relevance and many achievements are at risk of being undermined by the rising tide of protectionism in many significant economies, which is manifesting itself through such policy measures as non-tariff barriers and obstacles to freedom of movement.

Multilateralism provides a rules-based system for stemming the tide of protectionism. However, rules can be rendered ineffective without a compliance mechanism. It is therefore in the shared interest of the entire WTO membership that the dispute settlement mechanism continues to function effectively. WTO's members need to collectively ensure that the appellate body members continue to remain independent and autonomous.

It has been suggested that the emerging economies need to show leadership in stemming the tide of protectionism by making unilateral commitments and granting concessions to other countries. It is a shared responsibility of the entire WTO membership to ensure that all the global markets remain open.

*Introductory remarks by Mr. P. Rübig, Rapporteur  
(Member of the European Parliament)*

Following the two world wars, a new way of working had to be found. The aim was not to achieve a win-lose solution, which is a common military solution, but a win-win situation. A key element in this connection is democracy. Under the GATT, the number of participating countries stood at 23 in the first round in 1947 and rose to 123 by the time of the Uruguay Round. At the fifth WTO Ministerial Conference in 2003, the IPU and the European Parliament agreed to work together as parliamentarians to achieve new structures and a better framework for citizens. Subsequent ministerial conferences have shown the importance of working together to achieve optimum solutions.

We need to ask what the cost would be if the WTO did not exist, and the added value of the WTO framework. Members of WTO have influence. Every vote in the WTO carries the same weight. Membership allows for the highest level of democratic and diplomatic decision-making, although decisions can be reached at the plurilateral, bilateral and regional levels if a harmonized solution cannot be found at the multilateral level. The WTO provides a valuable service through its rules-based framework and dispute settlement mechanism. As parliamentarians, we should strive to ensure the harmonization of rules where appropriate.

I am concerned that the trend in recent years is to move away from democratic, diplomatic decision-making towards military confrontation. The WTO has a very important role to play to ensure that global trade governance remains predictable, transparent, enforceable and uniform. Dialogue with all stakeholders in the value chain is essential, as are investment facilitation and incentives.

*Introductory remarks by Ms. B. Kenewendo, Rapporteur  
(Member of Parliament, Botswana)*

This discussion is very timely given the crisis of confidence that exists with regard to multilateralism. There is a move towards protectionism because of perceived unfairness, social and economic inequalities, unemployment and challenges associated with economic development. Protectionist policies pose a threat to global trade, which has declined over the previous five years. There are lessons to be learned from the dangers of such policies. In order to avert a crisis, multilateral institutions and their members should engage in institutional reforms that are in line with current global demands, embrace technology and foster the growth of regional economic blocks.



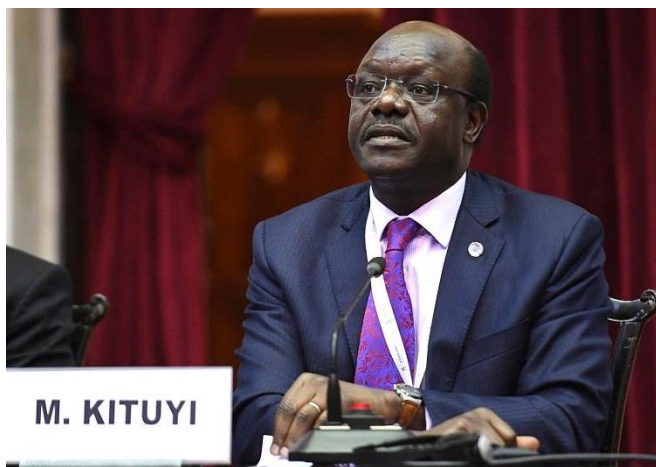
We must consider the true cost of losing the multilateral platform offered by the WTO, including for the citizens we serve. There are a number of areas that require consideration, including global trade reforms to ensure that the multilateral system is able to respond in a timely manner to issues of relevance to countries. Action is also needed: to promote fair trade and deal with countries that have unfair advantages or are using non-tariff barriers; to ensure that the multilateral system can deliver on the ministerial decisions taken; and to ensure that WTO is more inclusive and representative of all geographical groups and addresses the issues and interests of all its members.

While technology and innovation represent a real opportunity, we need to be mindful of the digital divide and ensure that no country is left further behind. Implementation of the Trade Facilitation Agreement will create opportunities to support advancement to a more digital economy. Regional economic communities should not be seen as a threat but as a means of building multilateralism.

The multilateral trade system has to be reinvigorated. It must be inclusive and beneficial to vulnerable groups. The theoretical benefits of trade need to be translated into reality to ensure that trade can offer a solution to the myriad of problems facing our countries.

*Introductory remarks by Dr. Mukhisa Kituyi, Discussant  
Secretary-General of the United Nations Conference on Trade and Development*

Broadly speaking, multilateralism has been blamed for the problems of globalization. However, a better understanding of the issues will ensure that the fortunes of multilateralism are separated from the fortunes of bad globalization. The multilateral rule-making process under the WTO is not multilateralism but an important component of multilateralism. Therefore, while the fortunes of WTO are important for the multilateral process, they are not the *sine qua non* for the survival and growth of that process.



The problems associated with globalization concern the failure to recognize the importance of a certain level of regulation. There have been winners and losers from globalization and the disaffected have been rejecting rules-based global engagement. Also, since the 2008 financial and economic crisis, there has been a substantial erosion of confidence in developed, industrial societies, resulting in an existential anxiety. International trade becomes an easy target to blame for the problems of unstructured and unsustainable globalization. Political leaders have a responsibility to see beyond short-term challenges and identify long-term solutions. The Addis Ababa Action Agenda, the Sustainable Development Goals and the December 2015 Paris Agreement are steps in the right direction.

The multilateral, rule-making system in global trade has been viewed as cumbersome and very slow moving, leading some to consider the multilateral trade system as a problem. However, the multilateral system is the least costly method of achieving inclusive agreement on how to stabilize global trade engagement. It is incumbent on the political leadership to understand that a return to protectionism takes would be highly detrimental to an inclusive, rules-based multilateral system suited to the current reality.

To rectify the situation, the developing world and poorer and more vulnerable regions of developed countries must build productive capacity to convert trade potential into improvements in livelihood. There has to be coherence between trade facilitation and investment facilitation. The potential of the digital economy must also be explored as a new impetus to international trade and as an enabler of more inclusive prosperity from trade. Political leaders need to take greater political charge rather than allowing technicians to treat political decision-making on multilateral trade as a technical process.

*Introductory remarks by Mr. Ildefonso Guajardo Villareal, Discussant  
Minister of the Economy, Mexico*

Over the last 40 years, global growth has been supported by sustained growth in trade that has helped to reduce extreme poverty in the world. Nevertheless, I agree that we cannot consider trade policy as the only tool for development. Trade liberalization has been perceived as a means of solving the problems we face, but this is not the case.

Multilateralism has been touted as a means of promoting inclusivity among the world's economies. We have to realize that multilateral institutions are not exempt from challenges. Thus, in analysing the





role of the WTO, we must establish our expectations of multilateral trade and of the WTO. We have a responsibility to preserve a strong rules-based multilateral trading system that will guarantee benefits for all. Recent political outcomes have sent us all signals. I believe that the problem goes further a lack of information, and that we have to do more to develop inclusive policies that take care of those generations left behind in the process of transformation.

Technological change is a large part of our lives, with implications including for job creation in the manufacturing sector. The future presents us with huge challenges on how to readjust our trading system in the light of 21<sup>st</sup> century realities. The challenge is for countries to work together to maximize benefits of new technologies for all concerned.

The WTO has proved to be a very strong institution and has achieved tangible outcomes over the last 10 years. In the 2008 crisis, the rules-based system was very successful in preventing a return to protectionism. While a more flexible and expeditious dispute settlement mechanism would be desirable, the dispute settlement mechanism of the WTO has processed over 500 complaints, involving at least 60 per cent of the membership. Although the WTO is not currently moving very fast with respect to the trade agenda and the negotiating arm, it has managed to secure the adoption of the Trade Facilitation Agreement.

Although the rhetoric around protectionism is increasing in some parts of the world, other areas, including the European Union, Latin America, Canada, China and Japan, are moving forward quite rapidly in terms of bilateral, trilateral and plurilateral agreements.

We must not be guided by the view that new areas for discussion in WTO should not be opened until old areas have been completed. We have to move forward and shape the new trends of the world economy into the kind of framework that today's multilateral system needs.

## QUESTION-AND-ANSWER EXCHANGE

### Mr. O. Elamin (Sudan)



Two of the three deputy speakers in our parliament and 40 per cent of parliamentarians are women, and we are convinced that women will play an important role in our country's economy and development. We request you to enable Sudan to become an active member of the WTO, which would be beneficial for the country's economy.

### Mr. K. Somaiya (India)



Are there any examples of successful investment facilitation in trade agreements? I would welcome examples of institutional reforms in the multilateral trading system. We must bear in mind that today, those that complain about WTO are not least developed or developing countries, but more developed countries. Is it the case that after obtaining the benefits of WTO membership, developed countries are seeking to leave the organization? It appears that citizens themselves are voting for greater protectionism.



#### Mr. W. Xiaochu (China)



China is a strong supporter of multilateralism. However, there needs to be a clear understanding of the meaning and future direction of multilateralism for international trade. Key elements to be retained include mutual respect for all countries, fairness and justice. There must also be transparent and consistent rules, an absence of double standards, and cooperation to ensure a 'win' for all sides, rather than confrontation. No country should pursue its own development at the expense of others. Multilateralism must also promote people-centred development.

#### Mr. P. Rübig, Rapporteur

I am hopeful that Sudan will reach the criteria necessary to become a full member in the near future.

#### Dr. M. Kituyi, Discussant

Some significant countries are hostile to multilateralism, but I think this is phase that will pass. It is difficult to prove that bilateral negotiations are a substitute for multilateralism, particularly as developing countries have an opportunity to significantly impact global trade rules through the multilateral process. Such countries are important stakeholders in the rules-based trade negotiations, but should not have a responsibility to shore up the rules-based system when it is under threat. Small, vulnerable countries should never fear to negotiate, but should never negotiate out of fear.

#### Ms. B. Kenewendo, Rapporteur

Sudan has great potential, and membership would bring benefits for its citizens and economic growth. In the case of the WTO, institutional reforms should promote greater inclusivity and a more functional and independent appellate body.

#### Mr. I. Guajardo Villareal, Discussant

The new administration in Washington has declared the North American Free Trade Agreement (NAFTA) the worst trade agreement in the history of the United States. With its termination a possibility, stakeholders in the United States, including consumers who benefit from cheaper and wider supplies of goods, workers and producers in the agricultural and manufacturing sectors who have not spoken of the benefits of NAFTA over the previous 20 years, have been coming out in support of that Agreement.

The WTO needs reform to take the lead in the 21<sup>st</sup> century and address new challenges. Emphasis should be given to trade in services and on how to liberalize our economies for new technologies to support the new trends in trade today. We also have to be honest and recognize that the continued discussion of issues raised at Doha more than 10 years ago is limiting the pace of change.

#### Mr. D. Gamede (South Africa)



How should the Southern African Development Community (SADC) and Africa more generally deal with the issue of protectionism?

**Mr. D. Gbahounga (Parliament of the Economic Community of West African States (ECOWAS))**

An economic partnership agreement offers West Africa market access to the EU. However, only restricted access is provided, yielding limited benefits for the development of our societies. However, European fishing vessels are permitted to use African waters, and there is a risk of depletion of stocks and unemployment for future generations. The needs of countries in the EU are being met to the detriment of our own economies. I appeal to those in a position to exert pressure on the negotiating group to achieve a solution that will support the economic development of Africa.

**Mr. E. Guerrero-Salom (European Parliament)**

Bilateral and regional trade agreements may promote fragmentation. Multilateralism is the only system that can provide consistent rules and an institutional framework that helps to maintain the concept of democracy, the nation State and globalization and defend the different interests of all.

**Mr. S. Musokotwane (Zambia)**

Citizens of developing countries are being left out of international trade and this is encouraging some to migrate to other countries. Would it not be preferable for developed countries to remove barriers to economic participation?

**Ms. A. Daffe (ECOWAS)**

How can we take equitable measures to address the problems that exist in the current international trade system?

**Mr. H. Scholz (European Parliament)**



Is multilateralism the correct framework and the WTO the right institution to deal with global value

chains that have a deep impact on our national and rural economies? We need to communicate our message about trade very clearly to all stakeholders, including civil society, NGOs and SMEs to ensure that they continue to trust our policies.

**Mr. A. Ashraf (Bangladesh)**



The entire global community is at a critical juncture, and we, as parliamentarians, must take stock of the situation. Every effort must be made to ensure that the WTO is a sustainable organization that strives to improve the economic development of all its members.

**Mr. A. Lentoimaga (Kenya)**



Protectionism undermines the balance of trade and some of the conditions and rules being imposed, including by the EU, have an adverse impact on market access for products from Africa. What can the WTO do to influence parliamentarians in industrialized countries to ensure fairer rules and advisories regarding the movement of people, labour and services?

**Mr. K. Buchner (European Parliament)**



There are clearly highly positive aspects of free trade. However, there are instances when open trade can actually prevent the development of industry in a particular country and when protectionism could actually foster development of an industry in a developing country.

**Ms. J.L. Fubbs (South Africa)**



We should strive for inclusive multilateralism, which is directly linked to sustainable development and is the strongest safeguard of a peaceful society and a progressive global economy. As parliamentarians, we are the voice of the people and we have an important influence at the WTO in developing fair trade for all.

**Mr. R. Arce Caceres (Peru)**



Despite free trade agreements with many developed countries, my country still had a negative trade balance in 2016. In this case, how valid would protectionism be as a means of helping our national economy? To what extent is protectionism of biodiversity justified to ensure that our resources are not exploited and are used fairly for the benefit of our citizens?

**Ms. S.F. Hosseini (Islamic Republic of Iran)**

How can we, through our actions and policies, promote the oversight role of parliaments in maintaining multilateralism, and ensure that the universality of the WTO is achieved by preparing the ground for those countries seeking accession.

**Mr. D. Campbell-Bannerman (European Parliament)**

If we don't have the WTO, which has a crucial role to play, we will have to reinvent it. How do we persuade the United States to return to the WTO? Also, how can we make progress in appointing new members of the appellate body?

**Mr. P. Rübig, Rapporteur**

In the EU, we consider carefully how we can best support Africa and the least developed countries. We should negotiate further on such issues as preferential treatment and subsidies, and promote the implementation of the SDGs. The EU Trust Fund for Africa has been finalized. Aims include investment in production to promote achievement of Goal 2 (ending hunger, achieving food security and improved nutrition), Goal 6 (ensure availability and sustainable management of water and sanitation) and Goal 7 (ensure access to affordable, reliable, sustainable and modern energy). We also want to focus on rural areas to prevent migration and encourage investment by offering incentives in



education, infrastructure and taxation. Studies undertaken and meetings such as this offer us a valuable opportunity to exchange experience, knowledge and information.

#### Mr. I. Guajardo Villarreal, Discussant

Transparency, public information and civil society participation have been radically transformed since NAFTA was first negotiated in 1991, and the European Parliament has played a leading role in demonstrating how to involve civil society in negotiations. There was initially some resistance in Mexico to including non-trade matters in NAFTA, but because of the participation of civil society we have come to recognize that trade instruments can include non-trade issues. Environmental and labour disputes will be part of the new NAFTA and subject to the same type of dispute settlement as trade issues. Experience has shown that we have to engage with social groups and civil society. If a trade agreement is going to be beneficial for all, it has to include elements to protect society from the consequences of trade.

Mexico's experience shows that promoting industrial policy based only on tariff structures is a mistake, resulting in a lack of competitiveness. Mexico's economy started to transform once it was opened up in the 1990s and its exports have shifted from predominantly oil and raw materials to processed products. Policies should be aimed at promoting growth, and protectionism should not be used as a tool.

With regard to the policy of the new administration in the United States, we need to understand that democracy is supported by a robust checks and balances system, which I am convinced will yield the successful renegotiation and modernization of NAFTA.

#### Dr. M. Kituyi, Discussant



As parliamentarians, you have a critical role in legitimizing multilateralism. However, informed discourse on the benefits of multilateralism and on

improving on identified weaknesses is lacking in domestic political discourse. The WTO does face certain structural challenges. On the one hand, certain countries consider that there is unfinished business from the Doha development round and are reluctant to discuss other issues. On the other hand, there are other countries that consider new dynamics informing international trade, such as e-commerce, must be discussed. The paralysis as to how to proceed is slowing down the multilateral rules-making system, and political decision-making is required.

Economic partnership agreements with the EU were developed prior to the digital economy, the SDGs and the 2015 United Nations Climate Change Conference. The commitments and conditions enshrined in those recent instruments have to be addressed in new negotiations about sustainability. Parliamentarians from the EU and the countries concerned must work together to resolve the issue.

The question of fisheries is complex. Under SDG 14, countries have pledged to effectively regulate harvesting and end overfishing by 2020. However, the forthcoming WTO Ministerial Conference is likely to reach agreement on a standstill with respect to unreported and unregulated fisheries, which is a step backwards from the initiative of the 14<sup>th</sup> session of UNCTAD in 2016 on disciplining fisheries subsidies with a view to achieving SDG14. Political leaders and parliamentarians have to realize that it might not be possible to resolve all matters through the WTO, and that new multilateral platforms may have to be sought. An enhanced discussion on fisheries subsidies after the Eleventh Ministerial Conference under the auspices of the United Nations might be the best way to deliver a result before 2020.

Multilateral and bilateral agreements are not mutually exclusive. Multilateralism is important, but countries also have unique bilateral arrangements. We may have to look at the type of bilateral agreements we have; a plurilateral or regional negotiation process might be preferable for developing countries.

Since the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), we have been working with governments on protecting the geographical indications of unique biological forms in Peru.

The world cannot assume that free trade is a panacea for all global problems. That assumption lies behind the current crisis facing multilateralism.



There is a political responsibility to identify weaknesses and vulnerabilities, and to address them using new rules and technologies. Not every product has a national identity, and the problems we face today have to be solved by using current technology and knowledge, not by imposing trade barriers and protectionism.

**Ms. B. Kenewendo, Rapporteur**

We are aware of a lot of protectionist policies in the African region, some of which may be a throwback from policies of the past. Protectionism will only be dealt with by political will. This meeting offers a valuable opportunity for parliamentarians to learn about the WTO and multilateralism, and convey their knowledge to their constituents.

We need to ensure that our parliaments have the capacity to provide proper oversight over their governments during negotiations. We have to promote inclusive trade for inclusive growth, remove inequalities and foster achievement of the SDGs. When we recognize the importance of trade and multilateralism, we will be able to ensure that all stakeholders understand the benefits of a multilateral platform, and the cost of losing it.

**Ms. M.P. Lopardo (Argentina)**

This Parliamentary Conference provides an opportunity for us all to consider how multilateral trade can be used as a tool to foster true integration.

**Ms. A.M. Nazario (Argentina)**

I think that it is important for organizations such as the WTO to consider the economy as a social science, and the contribution of women in such organizations should be recognized.

**Mr. A. Singh Thakur, Moderator**

Multilateralism is at a crossroads and impact of the choices that countries make over the next few years is likely to be felt over the next two decades. It is incumbent on WTO members to shape the multilateral trading system and provide direction to ensure that the system is fair, equitable and balanced, and functions as an effective bulwark against latent and obvious protectionist measures.



# CLOSING SESSION

## ADOPTION OF THE OUTCOME DOCUMENT

### *Senator Federico Pinedo, Argentina*

The revised draft outcome document takes into account amendments submitted by parliaments during the period allocated for comments, and was considered by the Steering Committee at its meeting on 9 December 2017. The document recognizes the importance of multilateralism based on common rules as a means of building trust, promoting interaction and generating increased opportunities for all countries. It also highlights the fact that developing countries are participating more in international trade. Paragraph 6 refers to the advance of information and communication technologies, which have revolutionized the way of doing business and given a strong impetus to the increase of productivity, but are also leading to concerns about job losses. Inclusive policies are essential and development tools must seek to include affected people. The document also addresses the progressive reduction of subsidies, food security, the need to find a permanent solution on the issue of public stockholding, and the importance of the elimination of certain forms of subsidies to fisheries. Mention is also made of the opportunities that the scientific and technological revolution offers to small and medium-sized enterprises. A paragraph has been included highlighting women's empowerment as a means of accelerating poverty eradication. The document also calls on WTO members to nominate members of the appellate body, and highlights the importance of the continued support of parliamentarians for fair and equitable trade for all.



*The draft outcome document was adopted by consensus.*

### **Ms. I. Rodríguez-Piñero Fernández** **(European Parliament)**

Women account for around three quarters of those living in poverty in the world and I believe that paragraph 15 of the draft outcome document falls short of the message that should have been conveyed.

debate that has highlighted the importance of fair trade in facilitating achievement of the SDGs. We trust that the voice of parliamentarians will be heard at the Eleventh Ministerial Conference of the WTO.

### **Ms. M. McGuinness (First Vice-President of the European Parliament)**

I wish to acknowledge the engagement of the Steering Committee and the debate that has resulted in the draft outcome document.

Although the world is getting smaller, it is becoming more fragmented. I welcome our commitment to working together and recognizing the contribution of multilateralism and rules-based systems. As elected representatives, it is our responsibility not to feed fear but to address it. We need to communicate clearly to our peoples and raise awareness of the vacuum that may be created if our institutions are weakened.



On behalf of Mr. Emilio Monzó, Speaker of the Chamber of Deputies of Argentina, I would like to thank you all for your contributions and rich

### Ms. G. Cuevas Barron (President of the Inter-Parliamentary Union)

I wish to thank the Argentine authorities, the European Parliament and the IPU and you all for attending this meeting. We bring a strong message in support of free trade, multilateralism and inclusion to the Eleventh Ministerial Conference of the WTO.

We have yet to recover fully from the 2008 crisis, which has left a legacy of fear and scepticism. As parliamentarians, we must embrace technological change, development and trade as a means of achieving greater productivity, inclusivity, equality, and of ensuring increased opportunities for future generations.





# RULES OF PROCEDURE OF THE PARLIAMENTARY CONFERENCE ON THE WTO



*Adopted on 26 November 2004, amended on 12 September 2008*

The days when foreign policy, and more specifically trade policy was the exclusive domain of the executive branch are over. The WTO is rapidly becoming more than a trade organisation, having an ever growing impact on domestic policies and the daily life of citizens.

The Inter-Parliamentary Union and the European Parliament are therefore jointly organising a Parliamentary Conference on the WTO (hereinafter the Conference) that will meet at least once a year and on the occasion of WTO Ministerial Conferences. The Conference is an official parliamentary event that is open to the public.

## ARTICLE 1 - Objectives

- 1.1 The Conference is a forum for the exchange of opinions, information and experience, as well as for the promotion of common action on topics related to the role of parliaments and the organisation of parliamentary functions in the area of international trade issues.
- 1.2 The Conference seeks to promote free and fair trade that benefits people everywhere, enhances development and reduces poverty.
- 1.3 The Conference will provide a parliamentary dimension to the WTO by:
  - (a) overseeing WTO activities and promoting their effectiveness and fairness – keeping in mind the original objectives of the WTO set in Marrakech;
  - (b) promoting the transparency of WTO procedures and improving the dialogue between governments, parliaments and civil society; *and*
  - (c) building capacity in parliaments in matters of international trade and exerting influence on the direction of discussions within the WTO.

## ARTICLE 2 - Composition

- 2.1 Participants in the Conference are
  - delegations designated by parliaments of sovereign States that are members of the WTO;
  - delegations designated by IPU Member Parliaments from countries that are not represented in the WTO; *and*
  - delegations designated by the European Parliament, the Parliamentary Assembly of the Council of Europe, the Commonwealth Parliamentary Association and the Assemblée parlementaire de la Francophonie.
- 2.2 Observers to the Conference will be
  - Representatives of international organisations and others who are concerned by issues of international trade and specifically invited by the Steering Committee on the basis of a list that has been approved jointly by the co-organisers; *and*
  - representatives of governments of sovereign States that are members of the WTO.



2.3 The event will also be open to other persons with a specific interest in international trade questions. These persons may follow the work of the Conference without intervening in its proceedings and will have no speaking rights. They will be issued a security badge bearing their name only. They will not receive an official invitation or be accredited to the event.

### **ARTICLE 3 - Presidency**

3.1 The Conference is presided over jointly by the President of the Inter-Parliamentary Union and the President of the European Parliament, or their substitutes.

3.2 The Presidents shall open, suspend and close the sittings, direct the work of the Conference, see that the Rules are observed, call upon speakers, put questions for decision, make known the results of decisions and declare the Conference closed. The decisions of the Presidents on these matters shall be final and shall be accepted without debate.

3.3 The Presidents shall decide on all matters not covered by these Rules, if necessary after having taken the advice of the Steering Committee.

### **ARTICLE 4 - Steering Committee and Secretariat**

4.1 The Steering Committee is jointly established by the Inter-Parliamentary Union and the European Parliament and is composed of representatives of parliaments of sovereign States, of the IPU and the European Parliament as the Conference co-organizers, of selected other regional and international parliamentary assemblies and structures, and of the WTO Secretariat.

4.2 The Steering Committee is responsible for all matters relating to the organisation of the Conference and shall take decisions on the basis of consensus. All decisions taken by the Steering Committee shall, as appropriate, be circulated in writing and approved before the end of each meeting.

4.3 Membership in the Steering Committee shall be institutional, with every parliament or organization having the right to choose its representative(s). In the interest of consistency in the work of the Steering Committee, parliaments and organizations shall endeavour to ensure that, as far as possible, the person(s) who represented them in previous sessions of the Committee continue to take part in subsequent sessions.

4.4 When more than one representative of a national parliament takes part in a session of the Steering Committee, only one member of parliament per delegation shall be part of the decision-making process.

4.5 Changes in the composition of the Steering Committee shall be proposed jointly by the IPU and the European Parliament, as the Conference co-organizers, subject to approval by the Steering Committee as a whole. Where possible, equitable geographical distribution shall be taken into consideration.

4.6 National parliaments shall hold a seat on the Steering Committee for a period of four years. However, the Steering Committee may invite a given parliament to hold its seat on the Steering Committee for another term. The rotation shall be scheduled in such a way that no more than half of the parliaments representing a given geographical region shall be replaced at any one time.

4.7 The definition of geographical regions for the purpose of rotation shall be established by the Steering Committee.

4.8. The Conference and the Steering Committee are assisted in their activities by the secretariats of the Inter-Parliamentary Union and the European Parliament.

## **ARTICLE 5 - Agenda**

5.1 The Conference decides on its agenda on the basis of a proposal from the Steering Committee, which shall be communicated to the participants at least one month before the opening of each plenary session.

## **ARTICLE 6 - Speaking rights and decisions**

6.1 Participants and observers have the same speaking rights.

6.2 Priority to speak shall be given to participants wishing to make a procedural motion which shall have priority over the substantive questions.

6.3 The Conference shall take all decisions by consensus of the delegations of participants. Conference decisions shall be taken after due notice has been given by the President.

## **ARTICLE 7 - Outcome of the Conference**

7.1 The draft outcome document of the Conference shall be prepared by the Steering Committee with the assistance of one or more rapporteurs and communicated to the participants sufficiently in advance.

7.2 Amendments to the draft outcome document shall be presented by the delegations as defined in Article 2.1 or by rapporteurs in English or in French with the amended parts clearly marked. Amendments shall relate directly to the text which they seek to amend. They may only call for an addition, a deletion or an alteration with regard to the initial draft, without having the effect of changing its scope or nature. Amendments shall be submitted before the deadline set by the Steering Committee. The Steering Committee shall decide on the admissibility of amendments.

## **ARTICLE 8 – Adoption and amendment to the Rules**

8.1 The Conference shall adopt and amend the Rules.

8.2 Any proposal to amend the Rules of the Conference shall be formulated in writing and sent to the Secretariat of the Conference at least three months before the next meeting of the Conference. The Secretariat shall immediately communicate such proposals to the members of the Steering Committee as well as to the delegations of the Conference. It shall also communicate any proposal for sub-amendments at least one month before the next meeting of the Conference.

8.3 The Conference shall decide on any proposal to amend the Rules after hearing the opinion of the Steering Committee, including on their admissibility.

# PARTICIPATION

## PARTICIPANTS

### Parliamentary delegations

Afghanistan; Algeria; Argentina; Bangladesh; Belgium; Benin; Bhutan; Bolivia (Plurinational State of); Bosnia and Herzegovina; Botswana; Brazil; Cameroon; Chile; China; Democratic Republic of the Congo; Denmark; Djibouti; Ecuador; El Salvador; France; Germany; Greece; Guinea-Bissau; India; Indonesia; Iran (Islamic Republic of); Italy; Jordan; Kenya; Lesotho; Maldives; Mauritius; Mexico; Mongolia; Morocco; Netherlands; Niger; Norway; Pakistan; Peru; Philippines; Portugal; Qatar; Republic of Korea; Romania; Russian Federation; Saudi Arabia; South Africa; Sudan; Suriname; Swaziland; Sweden; Thailand; Ukraine; United Kingdom; Uruguay and Zambia

European Parliament; Commonwealth Parliamentary Association (CPA)

## OBSERVERS

### Parliamentary Associations and Assemblies

EFTA Parliamentary Committee; Parliament of the Economic Community of West African States (ECOWAS); Parliamentary Union of the OIC Member States (PUIC)

### Intergovernmental Organizations

International Trade Centre (ITC); International Trade Union Confederation (ITUC); United Nations Conference on Trade and Development (UNCTAD); World Trade Organization (WTO)



## COMPOSITION OF THE STEERING COMMITTEE

The Steering Committee of the Conference is currently composed of representatives of the following parliaments and international organizations:

Argentina, Bahrain, Benin, Botswana, Brazil, Cameroon, China, Colombia, France, India, Indonesia, Japan, Luxembourg, Poland, Portugal, Russian Federation, Saudi Arabia, Senegal, Singapore, South Africa, Switzerland, United Republic of Tanzania, Commonwealth Parliamentary Association, European Parliament, Inter-Parliamentary Union, Parliamentary Assembly of the Council of Europe and World Trade Organization.



Copyright © Inter-Parliamentary Union, 2017

Photographs: National Congress of Argentina