

The Ninth Ministerial Conference of the World Trade Organization is ongoing in Bali, Indonesia, until Friday 6 December 2013. WTO members are expected to advance their discussions on several important issues of the Doha round, including in agriculture, Development/LDC issues and Trade Facilitation, with the aim of concluding deals and revive the Doha Round. Events are also organised on the sidelines at an NGO centre set up for the occasion. CUTS International is there to update you every day on the highlights of the conference.

Hot News!

The President of Indonesia, Dr Susilo Bambang Yudhoyono will likely call the Indian Prime Minister, Dr Man Mohan Singh to get the hard Indian position softened, so that the Bali ministerial succeeds and ministers do not return home empty handed with prospects of a chaotic trade scenario in future.

At Bali, all eyes were on the Indian commerce and industry minister, Anand Sharma who delivered his hard hitting speech this morning saying that food security is a non-negotiable issue. “The due restraint clause, in its current shape, cannot be accepted. It is considerably diluted and hemmed by onerous conditionalities. Any such solution must remain in force till we are able to agree on a lasting solution and provide adequate protection from all kinds of challenges”, he asserted.

Plenary Today

The second morning of the conference witnessed the much expected interventions of major players like USA, India, the European Union, Brazil, China, and South Africa among others.

India vs United States

These were the two most anticipated interventions, as the clashing positions of the two countries on trade facilitation and public stockholding of food hold the key to a deal in Bali.

The Indian minister of trade, Anand Sharma, made clear that the current trade facilitation text is not agreeable for his country, especially in view of the expedited shipment provision under section one. Importantly, he said that having a permanent exemption on public stockholding under the agriculture agreement was non-negotiable given its importance for many Indian poor. Nevertheless, he encouraged the Director General to continue his bilateral consultations on the sidelines towards a successful deal in Bali. This indicates that India is leaving the door open for negotiation until Friday.

The US Trade Representative, Michael Froman, stated that failure is still possible at Bali, and asked the Director-General to take the reins of the Ministerial. He asserted that it is not time anymore to have Geneva-style negotiations, but that the US is ready to come to the table to make Bali a success.

The European Union said that the membership needs to be pragmatic, making clear that “a solution to food security is the gateway to a Bali

In this Bulletin

Plenary Today
Negotiation Insights
CUTS@NGO Centre
Side Events

CUTS@Media

Press Release: “*Who is going to be the spoilsport, if at all*”

[Read here...](#)

About CUTS

Since its humble beginnings in 1983 as a local Indian consumer-advocacy group of 75 activists, CUTS has grown into an international NGO champion of stakeholder empowerment in economic and development policy.

CUTS organizations in India,

package”. In regards to the sticky public stockholding proposal, they said that interim solutions are not forever, they allow negotiations for permanent solutions. As others, they encouraged the DG to take strong lead in untying the knots.

Plenary Highlights

In summary, highlights of plenary interventions are:

- *Trade Facilitation* : Section 2 seem to be agreeable so far, section 1 is still has contentious provisions.
- *Public stockholding (G-33 Proposal)*: still one of the major issues to be fixed, with some countries claiming a permanent exemption in the Bali package.
- *Tariff Rate Quotas Administration*: The text is fairly stable.
- *Export competition* : not everybody is in agreement with what is on the table.
- Some members (Cuba, Venezuela) wanted that Bali adopts the LDC package while postponing the two other pillars to further negotiations in Geneva.

In Director General’s hands...

The membership was asked by Director General Azevedo today “Do you want to finish the job here in Bali ?” and what do they want him to do in the coming hours and days.

The overwhelming majority wanted him to continue further consultations. Nepal and other coalition coordinators speaking on behalf of their group entrusted the WTO Director General to do every necessary effort to clinch a consensus. This is including by intensifying bilateral consultations in Bali, regardless of the transparency and inclusiveness principles.

Negotiation Insights

Despite of what has been said in the last week, the Bali ministerial has now become a negotiating conference!

Now, the next steps remain unclear. It is said that the Director General will start consultation with those members who have concerns with the present texts including the US and India.

The WTO Director General has indicated the members to be on call from the end of plenary as he expects to get back to the delegations any time soon. He will be consulting, probably bilaterally, with major players such as the US, India, Argentina, Brazil and so on.

The outcome still remains unclear with 80 per cent of package being agreed upon but the risk of failure still looms. It is quite possible that the closing session on 6th December may be delayed.

Nevertheless, Azevedo has clearly said that a landing zone is possible and if the membership is able to clinch the Bali package, the rest of the Doha

Kenya, Zambia, Vietnam, Ghana and Geneva have made their footprints in the realm of economic governance across the developing world. Our activities stretch from Asia to Africa, and from South America to beyond.

CUTS is also a trusted technical cooperation and knowledge partner of international organizations such as the WTO and UNCTAD, where it has consultative status.

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negotiations can be carried to Geneva.

CUTS@NGO Centre

CUTS EVENT | TRADE FACILITATION: ADDRESSING CONSUMER AND SMES ISSUES AND CONCERNS

This panel discussion organised by CUTS International Geneva today aimed to identify the key issues of interest to consumers and SMEs in Trade Facilitation and explore regulatory and institutional options to respond to those needs. It also looked at how a potential WTO Trade Facilitation outcome could contribute to consumer welfare and SMEs competitiveness.

The five experts on the panel were Archana Jatkar (CUTS International), Ricardo James (Organisation of Eastern Caribbean States), Deep Kapuria (Hi-Tech Group of Companies), Rajesh Aggarwal (International Trade Centre), and Stephen Dietz (Australian Permanent Mission to the WTO).

The key points of the discussion were:

- A number of articles in the WTO draft agreement can be traced to interests of the SMEs. However, it is not directly related to the interest of consumers.
- Trade transaction costs remained a highly-important issue that needs to be more concretely addressed.
- It is not only crucial to inform at the domestic level, but also to empower them.

SPEAKING INTERVENTION | BY PRADEEP S MEHTA

Speaking at a session on BRICS and the Multilateral Trading System, Pradeep Mehta said that all the BRICS member states are at different levels of development and have their own self interests, and hence to expect them to adopt a common position at the Bali Ministerial is unfair.

At the 3rd BRICS Summit held at Durban in South Africa on 26-27 March, the member states: Brazil, Russia, India, China and South Africa had resolved to work together to restore balance in the WTO agreements, rather than pursue individual member's interests in the MTS.

SPEAKING INTERVENTION | BY RASHID S KAUKAB

What Will a Post-Bali Agenda for the WTO Look Like?

This event organised by Washington International Trade Association debated the substantive, institutional and process issues related to a Post-Bali agenda for the WTO which will require conciliating developing countries' interests while also attending to the new matters that have emerged since 2001. A recurring theme was the need to better regulate the connection between preferential trade agreements and the WTO. Emergence of global value chains and e-commerce were highlighted as the most important new issues while acknowledging the growing

contribution of services to the global economy.

Rashid S Kaukab, Director CUTS International, Geneva, offered a three-pronged action to revive the multilateral trading system: i) preserving the gains of DDA by committing to the various drafts that have been agreed on an ad hoc bases; ii) delivering outcomes wherever possible without waiting for the finalisation of one grand package of all DDA negotiations; and iii) moving forward through a rigorous discussion process on emerging issues.

The panel discussion raised the important question of whether the WTO stakeholders were ready for a globalised world or would rather continue with the old mercantalistic mind set.

Other Events

E-CERTIFICATION: THE TRADE FACILITATOR | BY KINGDOM OF THE NETHERLANDS WITH CONTRIBUTIONS FROM AQSIQ IN THE PEOPLE'S REPUBLIC OF CHINA

Ms Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation of the Netherlands, in her welcome remarks, expressed her optimism that the WTO Bali Ministerial Conference will be able to reach landmark deals in agriculture, trade facilitation and development issues. She also considered the launch of e-certification through ASYCER (a license free module for electronic certification developed by UNCTAD in cooperation with the Netherlands) as a cause for celebration as it will allow developing countries to reap benefits from electronic certification.

Electronic certification offers important benefits to businesses and governments through reduced transaction costs, lower administrative burdens, and the timely and secure exchange of information between competent authorities.

Dr Mukhisa Kituyi, Secretary General of UNCTAD, termed the event as belonging to a positive post-Bali era. He also traced the long history of UNCTAD's work in the area of trade facilitation which had started much before the term was coined.

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