ABOUT THIS BULLETIN
From 15-18 December, the World Trade Organization (WTO) is holding its 10th Ministerial Conference in Nairobi, Kenya. This week, ministers should welcome Afghanistan and Liberia as new members, and adopt decisions on electronic commerce, vulnerable economies and intellectual property. Questions remain as to whether an outcome can be reached this week on any of the issues of the current negotiating round, while ministers will consider the way forward for post-Nairobi WTO negotiations. Cuts is there to update you on the proceedings.

Negotiations Insights

TODAY’S UPDATE
The Tenth Session of the WTO Ministerial Conference that was scheduled to conclude in the morning of Friday, 18 December, will now continue till Saturday, 19 December. Following the pattern of some previous WTO Ministerial Conferences, the negotiations did not conclude as per the original schedule. In a now eerily familiar manner, the ministers and their delegations carried through informal consultations and negotiations.
most of the night between 17 and 18 December, and then the whole day on 18 December. But this intense activity was not enough to bridge the substantial gaps between the positions of member countries.

During the course of the day, several drafts on various issues under negotiations were proposed and discussed but consensus remained elusive. Particularly contentious were the negotiations on elements in trade in agriculture and special and differential treatments for developing and least developed countries. The future of Doha Round and the introduction of the so-called “new issues” into the WTO Work Programme after Nairobi also remained contested. Even the issues such as fisheries subsidies and transparency in rules where some progress had been made earlier, got stuck. Also, the G90 Group of developing and least developed countries have reportedly rejected the revised text on special and differential treatments.

Finally, in the evening, most ministers were requested to go to their hotels and would be informed when they are needed again in the Kenyatta International Convention Centre. By late evening, the Convention Centre wore a deserted look that was rather deceptive. In fact, reportedly, ministers of Brazil, China, India, EU and USA were huddled with the DG WTO in his room to make last ditch efforts to reach some compromise on three issues pertaining to agriculture. If they succeed in achieving some balance among export competition in agriculture, special safeguard mechanisms to deal with sudden surges in agricultural imports, and public stockholding for food security purposes, draft texts will be prepared during the night to be presented to the rest of the WTO membership in the morning of 19 December.

Earlier during the Ministerial consensus was reached on simplified and preferential rules of origin treatment for LDC exports and services waiver for LDCs. However, it appears that if consensus is not reached on other issues, as reported above, there may not be a Ministerial Declaration meaning that LDCs will not get benefits out of these draft decisions. Friends of the multilateral trading system anxiously wait for some positive news on agriculture and hope that the morning of Saturday, 19 December, will bring some good news for all WTO members.

**WHAT’S ON THE TABLE**

Fourteen years into the Doha Development Round of trade negotiations, the WTO membership’s success in delivering multilateral trade deals has so far been limited, including on issues of priority to developing and least developing countries. This week’s 10th WTO Ministerial Conference is expected to be crucial for the future of these negotiations, as some members call for reconsidering the relevance of the DDA as a negotiating framework.

Suggestions are also being put forward that trade ministers should consider the introduction of new negotiating issues, something which is opposed by many developing countries who are concerned about the eventual conclusion of the current issues which are of interest to them. Besides this, members have been trying to put together a package of current DDA issues to be concluded by their ministers in Nairobi, but were far from a consensus on its content.

Some of the issues initially proposed for inclusion in a Nairobi package included agricultural export competition, some development issues (e.g. simplified and preferential rules of origin for exports from LDCs), and improved transparency in areas such as fisheries subsidies. Some members have, however, conditioned their approval to the inclusion of more contentious issues such as Special Safeguard Mechanism, public stockholding for food security purposes, and special and differential treatment
provisions.

With the lack of a consensus emerging ahead of Nairobi, ministers have been forwarded a draft declaration with a number of brackets to deal with, in all its three parts, i.e.: (i) Preamble on the achievements and challenges over the WTO’s 20-year history; (ii) decisions by trade ministers, e.g. on a package of DDA issues; and (iii) the future work of the organisation, e.g. framework for post-Nairobi work programme. Nevertheless, the draft declaration anticipates the adoption of three decisions on: (i) TRIPs Non-violation and Situation Complaints; (ii) Work Programme on Electronic Commerce; (iii) Work Programme on Small Economies.