

Multilateral Trading System Must Remain the Centre Piece of Global Economic Governance

The deliberations and outcome of the 8th WTO Ministerial Conference (MC8) held in Geneva, Switzerland from 15 till 17 December 2011 have clearly and unequivocally reaffirmed the importance and relevance of the multilateral trading system. Ministers adopted several decisions particularly in favour of the Least Developed Countries (LDCs), welcomed Montenegro, Russia and Samoa as new members, and held a constructive dialogue which improved the WTO's atmosphere and outlook. And, immediately prior to the start of the Ministerial Conference, 42 WTO members finalized a review of the plurilateral agreement on Government Procurement with potential gains of about US\$100 billion for these members.

Of the seven decisions adopted by MC8, three are for LDCs in recognition of their special development needs in the multilateral trading system. According to one decision, LDCs can request for further extension in the period to fully implement the provisions of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) when the current extension expires in 2013. Through another decision, the ministers have directed for further simplification of the process for LDCs accession to the WTO by July 2012. They have directed that the reformed accession process for LDCs should be transparent, accommodate all the Special and Differential (S&D) provisions in favour of the acceding LDC and allow for benchmarking of acceding LDC's liberalisation commitments against those of the LDCs that are already members of the WTO. Implementation of this decision will greatly facilitate the accession to the WTO of LDCs that are still not members and hence contributing to their integration in the multilateral trading system.

CUTS International has been at the forefront of efforts since 2005 seeking preferential market access for LDCs' services exports and hence particularly welcomes the MC8 decision that enables members to provide preferential treatment to services and service suppliers of least-developed countries without according the same treatment to services and service suppliers of all other members. This certainly constitutes a positive effort towards facilitating the increased participation of least-developed countries in trade in services. The decision further specifies that any preferential treatment accorded pursuant to this decision shall be designed to promote the trade of least-developed countries in those sectors and modes of supply that are of particular export interest to the least-developed countries, including movement of natural persons.

CUTS International, as a strong and committed supporter of the multilateral trading system,

For more information, please contact:

Julien Grollier
Assistant Programme Officer
CUTS International, Geneva
37-39, Rue de Vermont
1202 Geneva, Switzerland
Ph: +41.22.734.6080
Email: jg3@cuts.org
Web: www.cuts-grc.org

welcomes the WTO MC8 outcome. This outcome has vindicated CUTS International view that WTO is much more than DDA. The importance and relevance of the WTO for global economic stability is even greater now than it was in the 1990s. It is the main bulwark against the rising tide of protectionism, provides a rule-based international trading system, and protects smaller developing countries against asymmetrical relationships inherent in many regional trade agreements involving both the developed and developing countries. WTO mandate and regular work programme are comprehensive and do not depend on DDA.

As another major contribution to the multilateral trading system, CUTS launched in Geneva on 14 December 2011 its new publication entitled “Reflections from the Frontline: Developing Country Negotiators in the WTO”. This publication consists of sixteen chapters contributed by current or former developing country ambassadors based on their personal experience and insights of various aspects of the WTO negotiations. The publication preserves the key moments, issues and strategies witnessed and experienced in the multilateral trade negotiations in the last ten years and will be an invaluable tool for training.

It is now essential that the lessons of MC8 and the improved political mood are not allowed to dissipate. Formidable challenges remain. According to Pradeep S. Mehta, Secretary General CUTS International, the two most critical challenges for the multilateral trading system are: remaining steadfast and effective against protectionism and maintaining the principle of single undertaking. He noted with satisfaction that the Chairman of MC8 has confirmed the importance of both in his concluding statement.

MC8 has provided direction and impetus for a vibrant and effective WTO, at the service of all its members, particularly developing countries. The priority for members should be to build on this, particularly in the following ways:

- Resisting all forms of protectionism and exercising maximum restraint in implementing measures that may be WTO-consistent but have a protectionist effect on developing countries
- Implementing all the Decisions of MC8 within the stipulated timelines
- Ensuring that any different approach in the negotiations conform to the Doha mandate, respect the single undertaking, and is truly multilateral, transparent and inclusive, and
- Maintaining the development focus in all areas of work including through greater funding for Aid for Trade and Enhanced