



The Road to the World Trade Organisation’s Twelfth Ministerial Conference

The upcoming World Trade Organisation’s Twelfth Ministerial Conference (MC12) will be a closely watched event. Originally slated to be held in June 2020 in Kazakhstan, MC12 had to be rescheduled due to the pandemic. The global trade landscape has witnessed drastic changes since the last WTO Ministerial Conference (MC11 in Buenos Aires, 2017).

Today, the WTO faces multiple challenges. It will soon be two years since the WTO’s Appellate Body ceased to function. The Doha Round negotiations have been stalled for over two decades now. The WTO is struggling to fulfil its original negotiation and dispute settlement functions. There is also pressure to expand the WTO’s agenda to cover new areas which are impacting 21st century trade flows.

Additionally, there continue to be significant differences in positions of WTO members on multiple issues. These include agricultural trade (regarding levels of permissible domestic support, exemptions for public stockholding purposes, special safeguard measures), reform of Special & Differential Treatment (SDT), and consensus decision-making. Disagreements on the scope of SDT are also affecting other ongoing negotiations, such as those on fisheries subsidies.

Within the WTO, plurilateral Joint Statement Initiatives (JSIs) on issues such as electronic commerce and investment facilitation have become a fresh source of disagreement amongst the member states. Deadlock on the pending TRIPS waiver proposal has further added to the impression that the WTO is not responsive to the needs of the hour.

It is in this background that MC12 will be held in Geneva from 30 November to 3 December, 2021.

In short, it is an imperative that the trade ministers of WTO members deliver at MC12. The future of the rules-based multilateral trading system with the WTO at its centre hinges on the outcomes at MC12.

Therefore, this is the first edition of CUTS Occasional News Wrap (ONW) in the run-up to MC12, capturing diverse views expressed on the subject. This ONW is categorised into two sections:

- News and developments at the WTO leading up to MC12
- Perspectives on trade issues leading up to MC12.

News and developments at the WTO leading up to MC12

<p>1.</p> <p><i>General Council chair briefs members on work towards MC12 outcome document</i></p> <p>World Trade Organisation</p> <p>October 07, 2021</p>	<p>The chair of the General Council, Ambassador Dacio Castillo of Honduras, briefed WTO members on 7 October regarding his consultations on a possible outcome document for trade ministers to adopt at the WTO's upcoming 12th Ministerial Conference (MC12). He encouraged delegations to continue to work towards producing a draft document by the end of October.</p>
<p>2.</p> <p><i>Participants in domestic regulation talks conclude text negotiations, on track for MC12 deal</i></p> <p>World Trade Organisation</p> <p>September 27, 2021</p>	<p>Participants in the negotiations on services domestic regulation concluded text-based discussions at their 27 September meeting, paving the way for conclusion of the negotiations by the 12th Ministerial Conference (MC12) at the end of November. This agreement represents a breakthrough for the negotiations, the coordinator, Jaime Coghi Arias of Costa Rica, noted. The only element pending is the finalization of members' schedules of commitments, with participants aiming to complete this process by MC12.</p>
<p>3.</p> <p><i>Working group on small business finalises MC12 draft declaration</i></p> <p>World Trade Organisation</p> <p>September 27, 2021</p>	<p>Members of the Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs) announced on 24 September that the Group has finalized a draft ministerial declaration for the WTO's 12th Ministerial Conference (MC12) in late November.</p>
<p>4.</p> <p><i>Members review agriculture trade policies and COVID-19, defer talks on Bali TRQ mechanism</i></p> <p>World Trade Organisation</p> <p>September 24, 2021</p>	<p>WTO members discussed agricultural policies and examined notifications at a Committee on Agriculture meeting on 23-24 September. Members agreed to suspend discussions on the Bali tariff rate quota (TRQ) underfill mechanism, with a view to reaching an agreement before year-end. The committee also agreed the triennial review of the Nairobi decision on export competition should be concluded at its next</p>

		meeting in March 2022 to take account of agriculture negotiations at the 12th Ministerial Conference . Members also received updates on the impact of COVID-19 on agricultural trade.
5.	<i>Trade and Gender Informal Working Group co-chairs present draft outcome document for MC12</i> World Trade Organisation September 23, 2021	Members of the Informal Working Group on Trade and Gender on 23 September discussed the first draft of an outcome document on trade’s role in women’s economic empowerment , which will be launched at the upcoming 12th Ministerial Conference (MC12), to be held on 30 November to 3 December in Geneva. The meeting also marked the first anniversary of the Working Group’s establishment.
6.	<i>Agriculture negotiators intensify talks on draft text</i> World Trade Organisation September 21, 2021	Trade negotiators meeting on 20-21 September 2021 shared specific ideas around the draft agriculture negotiating text circulated on 29 July so as to enhance prospects for a consensus outcome at the WTO’s 12th Ministerial Conference (MC12) in late November. Many supported a switch to text-based discussions, stressing the urgent need to make progress in the short time remaining.
7.	<i>Members advance work on trade and environmental sustainability ministerial declaration</i> World Trade Organisation September 17, 2021	WTO members taking part in the new initiative on trade and environmental sustainability continued to advance work on a joint statement which they intend to issue at the WTO’s 12th Ministerial Conference (MC12) later this year.
8.	<i>DG Okonjo-Iweala calls on WTO members to deliver tangible outcomes for LDCs at MC12</i> World Trade Organisation September 17, 2021	Delivering results at the 12th Ministerial Conference (MC12) to enable least-developed countries (LDCs) to become more resilient and more integrated into the global economy is critical for meeting sustainable development goals, Director-General Ngozi Okonjo-Iweala told Geneva-based ambassadors from LDCs on 16-17 September in Montreux, Switzerland.

<p>9.</p>	<p><i>Agriculture negotiations chair says progress on new draft text depends on WTO members</i></p> <p>World Trade Organisation</p> <p>September 08, 2021</p>	<p>Progress in the agriculture negotiations depends on the willingness of WTO members to achieve it, the chair of the negotiations said at a meeting on 7-8 September. The informal meeting of the Committee on Agriculture in Special Session was the first opportunity for members to discuss a new draft negotiation text introduced by the chair on 29 July, with a view to facilitating consensus among members ahead of the WTO’s 12th Ministerial Conference (MC12) on 30 November - 3 December.</p>
<p>10.</p>	<p>Momentum rising in WTO discussions on plastics trade, DDG Paugam notes at high-level event</p> <p>World Trade Organisation</p> <p>September 02, 2021</p>	<p>WTO members’ interest in addressing the environmental implications of plastics trade has intensified in recent years, leading to a better understanding of how trade policies can be better directed towards supporting a transition to a sustainable plastics economy, Deputy Director-General Jean-Marie Paugam said on 2 September at a high-level event on global action to tackle plastic pollution. Members at the WTO's 12th Ministerial Conference in November will have another opportunity to deepen discussions on plastics trade, and coherence and complementarity with various international plastic initiatives, he noted.</p>
<p>11.</p>	<p>WTO members gear up for marathon fishing subsidy negotiations starting September</p> <p>World Trade Organisation</p> <p>August 30, 2021</p>	<p>WTO members are resuming negotiations on fisheries subsidies after the August break under an intensified programme of meetings beginning on 1 September. The chair of the negotiations, Ambassador Santiago Wills of Colombia, said the objective, as affirmed by ministers at the 15 July virtual meeting, will be to produce a clean text of fisheries subsidy rules ahead of the 12th Ministerial Conference.</p>

Perspectives on trade issues leading to MC12

<p>1. <i>The Business Case for the WTO - and for its Dispute Settlement System</i> John Murphy U.S. Chamber of Commerce October 11, 2021</p>	<p>The continued success of the World Trade Organization (WTO) is critical to the U.S. business community. The global rules-based trading system the WTO embodies has benefited countries around the world - but none more than the United States. And that holds for its dispute settlement system as well.</p>
<p>2. <i>Trade multilateralism at risk</i> Prabhash Ranjan The Hindu October 07, 2021</p>	<p>Institutional multilateralism would be the ideal antidote to mounting unilateralism and economic nationalism. The WTO is the finest example of such a rule-based multilateral order in trade. Notwithstanding its flaws, the WTO is the only forum where developing countries like India, not party to any mega plurilateral trade agreements, can push for evolving an inclusive global trading order that responds to the systemic imbalances of extant globalisation. What is at stake is the future of trade multilateralism and not just an institution, in which India has a huge interest.</p>
<p>3. <i>Let us revitalize multilateralism: The future of the world is at stake</i> Jacinda Ardern, Cyril Ramaphosa, Pedro Sánchez Livemint October 03, 2021</p>	<p>First, we need a renewed commitment to international cooperation. Multilateral organizations must be furnished with the means and the mandate to make a difference on the ground. Cooperation among the UN, regional organizations, and international financial institutions must improve at both the policy and the operational level. The multilateral system needs to be more open and inclusive to give young people, civil society, the private sector, academia and others a seat at the table.</p>
<p>4. <i>100 days at the WTO: what have I learned?</i> Anabel González The Financial Express</p>	<p>Understanding the lay of the land has been the primary goal of my first 100 days. The scale of the challenge before us is clearer to me now. Cynics will always find reasons why progress cannot be made. But I keep in</p>

	October 03, 2021	mind Gandhi’s inspirational words about how, when faced with difficulties, his faith ran so much faster than his reason. I have met so many people who want to take the WTO forward and I am putting my faith in them.
5.	<i>Whatever happens at the WTO, unilateral economic sanctions and embargoes are here to stay</i> Lawrence Herman The Globe and Mail September 27, 2021	In today’s fraught and increasingly fractured world order, with reduced efficacy of multilaterally-agreed rules, unilateral sanctions and embargoes have become enormously powerful state weapons, mostly on the part of Western governments. In the last couple of decades, they have proliferated and been increasingly deployed outside the authorization of intergovernmental organizations – and hence why the topic will not be on the table at MC12.
6.	<i>Let's reform not ruin the WTO, EU trade chief urges U.S.</i> Philip Blenkinsop and David Evans Reuters September 27, 2021	Dombrovskis said the EU shared U.S. concerns about the WTO's functioning and the urgent need to address unfair practices, such as massive industrial subsidies, forced technology transfers, subsidies and heavy state involvement in economies. The WTO could not address these challenges in its current form, the commissioner said, insisting the reform process needed to start at the WTO's ministerial conference on Nov. 30-Dec. 3.
7.	<i>WTO: India finally accepts G-33 proposal on MSP doles</i> Amiti Sen The Hindu Business Line September 18, 2021	After a long deliberation of over a month, India has finally decided to co-sponsor a proposal made by the G-33 group of developing countries on a permanent solution for allowing public stockholding subsidies without limits at the WTO.
8.	WTO negotiations need transparency <i>Sheela Rai</i> Deccan Herald September 14, 2021	Nowadays, many of the important documents relating to the ongoing negotiations have restricted access . These are accessible only to a limited set of persons, such as those working in government offices and important

		international organisations. It makes one wonder about the reasons and advisability of such secrecy and closed-door negotiations. While international negotiations may take place only with government representatives, a government is responsible to its people.
9.	<p><i>Unpacking the resiliency of global trade, yet again</i></p> <p>Dammu Ravi</p> <p>The Hindu</p> <p>August 11, 2021</p>	<p>In a post COVID-19 world, members of the World Trade Organization are expected to stitch trade facilitating rules that may impinge on national sovereign policy space with a collective resolve to discipline errant nations that are known to dumping goods and erecting trade barriers through multilateral rules. Mutually beneficial trade arrangements that seek deeper economic integration will be entered into at the bilateral and regional levels to create win-win situations for all stakeholders, including consumers, who tend to benefit from lowered barriers and harmonised standards.</p>
10.	<p><i>The bumpy road to 12th WTO Ministerial</i></p> <p>Priyanka Pandit</p> <p>The Indian Express</p> <p>August 06, 2021</p>	<p>To be sure, the new Director-General Okonjo-Iweala has a formidable task ahead which is to break the current rut in the organisation and help members reach mutually beneficial agreements at the 12th Ministerial. She could do this by finding the right balance in the negotiating text, which considers members' varying levels of economic development and ensures that the flexibilities do not undermine environmental sustainability or the global commons. What helps is that the WTO membership now stands united to end the pandemic and have underscored their commitment to be flexible and engage continuously.</p>
11.	<p><i>Searching for leadership at the 12th WTO Ministerial Conference</i></p> <p>Dmitry Grozoubinski</p>	<p>Shaping outcomes to tackle the pressing challenges the world faces today requires coordinated action between governments, organisations, investors, business and</p>

	<p>East Asia Forum July 13, 2021</p>	<p>consumers. With WTO members unable to provide the leadership or compromises for rulemaking, the WTO itself could wield its enormous soft power to effect change by leveraging its reputation for neutrality, its highly qualified secretariat, and the Director-General’s tremendous convening power and energy. It may have to for MC12 to be a success.</p>
<p>12.</p>	<p><i>Developed members say India can’t have permanent solution to MSP issue at WTO Ministerial meet</i> Amiti Sen The Hindu Business Line June 25, 2021</p>	<p>India’s attempt to get a permanent solution on public stock holding and MSP pay-outs at the WTO Ministerial Conference (MC 12) in November this year is faced with a sudden roadblock with some developed countries including Canada, the EU and Australia asserting that differences remained too wide for an agreement to be reached within the available time, a Geneva-based official has said. “It is not just the group of developed members but also the facilitator for the talks on special safeguard measures (SSM), Renata Cristaldo Oviedo from Paraguay, who said that because of political and technical complexities, no outcome could be expected at MC12.</p>
<p>13.</p>	<p><i>WTO must prioritise food security</i> Prachi Singhal Financial Express April 30, 2021</p>	<p>While questions like how the multilateral trading system of the WTO can contribute towards global economic recovery in the post-Covid era are being guided by the lopsided agenda of the West, there is not much momentum on addressing some fundamental issues like ensuring food security through international cooperation without overstepping a member country’s policy space. At MC 12, an improved solution in favour of food security would go a long way in serving the humankind on one hand, while at the same time reinstating the trust in multilateralism.</p>