



The Long Road to the World Trade Organisation (WTO)'s Twelfth Ministerial Conference (MC12)

The 12th Ministerial Conference (MC12) scheduled to take place from 30 November to 3 December, 2021 in Geneva, Switzerland, has been postponed due to the emergence of the new Omicron variant of the coronavirus. However, as WTO Deputy Director-General Anabel González has stated, *“Omicron stopped trade ministers from meeting. It need not stop WTO members from delivering.”* Negotiations on multiple trade issues have been underway at the WTO, and an outcome for many of these was expected at MC12. Notwithstanding the postponement of MC12, WTO members have remained engaged in hectic trade parleys.

A priority area for WTO members has been attempting to reach a consensus on an intellectual property (IP) response to the COVID-19 pandemic. Unfortunately, even as the world enters the third calendar year of the pandemic, a concrete IP response from the WTO remains a work in progress.

In the past month, significant progress has been made at the WTO on the fronts of negotiation and trade policy monitoring. The first-ever review of the WTO Trade Facilitation Agreement (TFA), reporting on TFA implementation progress as well as challenges, was successfully completed by WTO members. The Trade4MSMEs platform, which is envisaged as a tool which will help SMEs to better integrate their operations into international trade, was launched by the Informal Working Group on Micro, Small and Medium-sized Enterprises. Finally, WTO members participating in the Joint Initiative on Services Domestic Regulation declared that they had successfully concluded negotiations which will facilitate services trade.

It is evident that plurilateral forms of negotiations at the WTO are getting relatively greater traction than multilateral ones. Yet, negotiations in variable geometries and progress on trade policy review and monitoring functions can generate virtuous cycles. Going forward, it remains to be seen if trade ministers will formally reschedule MC12 to sometime early next year. The new year needs fresh commitment from WTO members to both advance the trade agenda, as well as navigate the legacy issues that threaten the continued relevance of the WTO.

This edition of CUTS Occasional News Wrap (ONW) captures news and developments at the WTO since the announcement of the postponement of MC12. This ONW is categorised into two sections:

- News & developments at the WTO
- Perspectives on trade issues

News & developments at the WTO

1.	<p><i>International organizations discuss how to improve access to COVID vaccines, countermeasures</i></p> <p>World Trade Organisation December 22, 2021</p>	<p>The heads of the International Monetary Fund, World Bank Group, World Health Organization and World Trade Organization held on 17 December high-level consultations with UNICEF and Gavi aimed at increasing access to COVID-19-related vaccines and other critical medical countermeasures in low- and lower-middle-income countries.</p>
2.	<p><i>Merchandise trade volume declined in Q3 while trade values continued to rise</i></p> <p>World Trade Organisation December 20, 2021</p>	<p>The volume of world merchandise trade fell 0.8% in the third quarter of 2021 after four consecutive quarters of strong expansion, as supply chain disruptions, shortages of production inputs and rising COVID-19 cases weighed on trade growth.</p>
3.	<p><i>DDG Ellard: WTO is taking action to make trade work for women</i></p> <p>World Trade Organisation December 17, 2021</p>	<p>In her keynote speech to the WTO Chairs Programme webinar “Inclusive Trade: Legal and Economic Perspectives on Gender and Employment” on 17 December, Deputy-Director General Angela Ellard discussed ways in which trade policy can contribute to women’s economic empowerment.</p>
4.	<p><i>Members continue discussions on IP COVID-19 response as high-level engagement intensifies</i></p> <p>World Trade Organisation December 16, 2021</p>	<p>WTO members agreed to continue their discussions on a common intellectual property (IP) response to COVID-19 amid the ongoing high-level political dialogue aimed at finding a consensus-based outcome.</p>
5.	<p><i>New initiatives seek to put environment at heart of trade discussions</i></p> <p>World Trade Organisation December 15, 2021</p>	<p>Co-sponsors of three new environmental initiatives met jointly on 15 December and vowed to put environmental concerns at the heart of future trade discussions. WTO Director-General Ngozi Okonjo-Iweala joined ministers from the initiative co-coordinators, heads of international organizations and representatives from business and civil society groups in welcoming the initiatives.</p>

6.	<p><i>DDG Ellard discusses trends in global trade, WTO reform</i></p> <p>World Trade Organisation</p> <p>December 14, 2021</p>	<p>In her remarks to the Asia House Global Trade Dialogue on 14 December, Deputy Director-General Angela Ellard highlighted the work underway at the WTO to address the major shift in global trade to a digital and environmentally sustainable economy.</p>
7.	<p><i>E-commerce co-convenors welcome substantial progress in negotiations</i></p> <p>World Trade Organisation</p> <p>December 14, 2021</p>	<p>Ministers of Australia, Japan and Singapore - co-convenors of WTO e-commerce negotiations - have welcomed the substantial progress made in the initiative in a statement issued on 14 December.</p>
8.	<p><i>Chair of fisheries subsidies negotiations outlines next steps for work in the new year</i></p> <p>World Trade Organisation</p> <p>December 10, 2021</p>	<p>Fisheries subsidies negotiations aim to conclude as quickly as possible in the new year, the chair of the negotiations, Ambassador Santiago Wills of Colombia reported on 10 December following consultations held in the wake of the postponement of the 12th Ministerial Conference (MC12). Work will continue in January to refine the draft fisheries subsidies agreement for ministers' consideration.</p>
9.	<p><i>WTO report recommends ways to ease trade bottlenecks in landlocked developing countries</i></p> <p>World Trade Organisation</p> <p>December 8, 2021</p>	<p>A new WTO publication launched on 8 December highlights the high trade costs faced by landlocked developing countries (LLDCs) due to their isolation from the world's largest markets. The report recommends ways to address these trade challenges so that LLDCs can increase their participation in international trade and accelerate their recovery from the COVID-19 pandemic.</p>
10.	<p><i>DDG Ellard stresses need to maintain WTO momentum, importance of dispute settlement reform</i></p> <p>World Trade Organisation</p> <p>December 6, 2021</p>	<p>In her remarks to the American Enterprise Institute and Brookings Institution on 6 December, Deputy Director-General Angela Ellard highlighted that work continues at the WTO despite the postponement of the 12th Ministerial Conference (MC12).</p>

11.	<p><i>DDG Ellard cites role of WTO in promoting open markets, need for transatlantic cooperation</i></p> <p>World Trade Organisation</p> <p>December 3, 2021</p>	<p>Speaking to the American Chamber of Commerce in Germany’s Transatlantic Business Conference on 3 December, Deputy Director-General Angela Ellard discussed the role of the WTO in promoting open markets and rules-based free trade as well as the importance of transatlantic cooperation.</p>
12.	<p><i>DG calls on members to agree on pandemic response, fisheries subsidies by end-February</i></p> <p>World Trade Organisation</p> <p>December 2, 2021</p>	<p>Following last week’s eleventh-hour decision by WTO members to postpone the 12th Ministerial Conference, negotiations are continuing in Geneva, and Director-General Ngozi Okonjo-Iweala today (2 December) urged delegation heads to redouble their efforts to bridge differences. She called on them to conclude agreements on the WTO system’s response to pandemics as well as on curbing harmful fisheries subsidies by the end of February 2022 to pave the way for approval by ministers.</p>
13.	<p><i>Negotiations on services domestic regulation conclude successfully in Geneva</i></p> <p>World Trade Organisation</p> <p>December 2, 2021</p>	<p>Heads of Geneva delegations from the 67 WTO members participating in the Joint Initiative on Services Domestic Regulation announced on 2 December the successful conclusion of negotiations aimed at slashing administrative costs and creating a more transparent operating environment for service providers hoping to do business in foreign markets.</p>
14.	<p><i>Working group on small business launches Trade4MSMEs platform</i></p> <p>World Trade Organisation</p> <p>December 2, 2021</p>	<p>The Informal Working Group on Micro, Small and Medium-sized Enterprises (MSMEs) on 2 December launched the Trade4MSMEs platform, a tool aimed at helping small companies find trade-related information that improves their ability to trade internationally. The platform will also help policymakers design measures tailored to the needs of small companies.</p>

<p>15.</p>	<p><i>DDG Ellard cites importance of business engagement with the WTO</i> World Trade Organisation December 1, 2021</p>	<p>Speaking on 1 December at the launch event of the Business Coalition for Trade, Employment & Sustainable Development, organised by the International Organisation of Employers, Deputy Director-General Angela Ellard discussed the role of international trade in the economic recovery from COVID-19. She also outlined how business can support the WTO and play a role in its reform.</p>
<p>16.</p>	<p><i>More than two-thirds of WTO membership now part of investment facilitation negotiations</i> World Trade Organisation November 30, 2021</p>	<p>The announcement by eight WTO members of their decision to join the negotiations for an Agreement on Investment Facilitation for Development brings the number of participants to over 110.</p>
<p>17.</p>	<p><i>WTO members support maintaining momentum of discussions on common IP COVID-19 response</i> World Trade Organisation November 29, 2021</p>	<p>At a formal meeting of the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) on 29 November, members expressed unanimous support for maintaining the momentum of the discussions on a common intellectual property (IP) response to COVID-19.</p>
<p>18.</p>	<p><i>Members conclude milestone review of Trade Facilitation Agreement</i> World Trade Organisation November 26, 2021</p>	<p>WTO members completed the first-ever review of the Trade Facilitation Agreement (TFA) on 26 November, four years since the landmark deal entered into force in 2017. Their report took stock of members' progress in implementing the Agreement as well as implementation challenges encountered by members.</p>
<p>19.</p>	<p><i>General Council decides to postpone MC12 indefinitely</i> World Trade Organisation November 26, 2021</p>	<p>The General Council agreed late Friday (26 November) to postpone the imminent Ministerial Conference after an outbreak of a particularly transmissible strain of the COVID-19 virus led several governments to impose travel restrictions that would have prevented many ministers from reaching Geneva.</p>

Perspectives on trade issues

1.	<p><i>Leverage WTO to reform the MSP regime</i> Ashima Goyal The Hindu Business Line December 20, 2021</p>	<p>While the WTO is unfair and heavily biased in favour of advanced economies (AEs), perhaps India can use it to make feasible essential reform in its farmer support programmes. If the WTO is used to resist farm lobbies and political populism by committing to a sequential restructuring, governments could spend more on productivity raising infrastructure, as East Asia did, and phase out free electricity and water.</p>
2.	<p><i>India on guard as some WTO members try to link environment to trade talks</i> Amiti Sen The Hindu Business Line December 16, 2021</p>	<p>India is watching out as hectic efforts are on at the World Trade Organisation to bring environment at the “heart of trade discussions” - a move that the country has been strongly opposed to. Around 80 member countries, co-sponsoring three environment-related initiatives stated that they would work on making trade and trade rules address these problems. The WTO, too, seems to be in support of the new initiatives.</p>
3.	<p><i>Vaccine nationalism and the WTO</i> Kenneth A. Reinert The Hill December 13, 2021</p>	<p>There is one fly in the ointment, however. Given the role of dispute settlement in all WTO matters, including TRIPS-related issues, the fact that the United States government, under both the Trump and Biden administrations, has sabotaged this system makes it less likely that any TRIPS waiver or production of off-patent vaccines will be fully operational.</p>
4.	<p><i>The WTO is Back in Business?</i> Jane Drake-Brockman Council on Economic Policies December 10, 2021</p>	<p>With or without a WTO Ministerial Meeting, WTO members were right not to miss the chance to save USD150 billion in services trade costs right now. It was sensible for the 67 WTO Members participating in the WTO Joint Initiative on Services Domestic Regulation to go ahead and announce the deal last week.</p>

5.	<p><i>Customs duty on e-commerce: India's options at upcoming WTO ministerial conference</i></p> <p>Arpita Mukherjee The Hindu Business Line December 08, 2021</p>	<p>Given that we do not have data on e-commerce trade, India wants to fast-track FTAs, which will lead to lower tariffs, and most countries are already participating in WTO plurilateral e-commerce negotiations, India should take the opportunity of the postponement of the MC12 to set up an institutional mechanism for regular consultation with stakeholders like NASSCOM to firm up our position in the WTO.</p>
6.	<p><i>The pandemic will continue to rage as long as the WTO keeps bickering over vaccine rules</i></p> <p>Joseph Stiglitz and Lori Wallach CNN November 30, 2021</p>	<p>If international organizations are subject to karma, last week's abrupt postponement of the World Trade Organization (WTO) Ministerial Conference, the body's first major decision-making gathering in four years, was fated to be. News of the emergence of Omicron, the latest coronavirus variant, not only caused the meeting to be delayed but it also shined a light on how the international community has failed to get the virus under control.</p>
7.	<p><i>WTO in the time of Omicron</i></p> <p>Shantanu Nandan Sharma The Economic Times November 29, 2021</p>	<p>The Omicron variant of Covid-19 has forced the World Trade Organisation (WTO) to defer its ministerial conference (MC12) that was to be held in Geneva from today. Ironically, MC12 would have taken the floor to improve Covid vaccination delivery and vaccine equity.</p>
8.	<p><i>Make food security fair 'n 'square</i></p> <p>Sabyasachi Saha and Sachin Chaturvedi The Economic Times November 29, 2021</p>	<p>Everything the WTO does becomes redundant if it fails the large constituency in developing countries that depends on agriculture for their survival. WTO's survival, in turn, is dependent on whether MC12 succeeds in addressing the historical injustice in agriculture on the food security front.</p>

<p>9.</p>	<p><i>Reform the WTO, do not deform it</i> Abhijit Das The Hindu Business Line November 29, 2021</p>	<p>Despite the 12th Ministerial Conference of the WTO (MC12) having been postponed, the developed countries are likely to push ahead for launching an ambitious work plan for reforming the WTO. While the reform agenda has multiple dimensions, suggestions for amending the institutional architecture of the WTO could have far-reaching implications.</p>
<p>10.</p>	<p><i>The WTO's Fast Track to Irrelevance</i> Thomas J. Duesterberg The Wall Street Journal November, 29, 2021</p>	<p>The WTO's inefficiency, China's growing influence, and the lack of economic-policy consensus within and among national democracies are the principal causes of its endemic gridlock. The WTO system has lost its leadership role in expanding a liberal, rules-based global order. This is partly because of institutional sclerosis and poor adaptation to the economic and global landscape. Instead of addressing these gaps, European and American political leaders have tried to burden the WTO with new missions such as climate change, human rights and labor standards.</p>