

Reflections on ...

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through the Plurilaterals (those countries accounting for a significant part of trade in that particular item – the so-called critical mass). Negotiations as regards mega-trading blocs such as the Trans-Pacific Partnership (TPP) and the Trans-Atlantic Investment Area (TAIA), also gave rise to serious concern among the LDCs in view of their possible adverse impact and implications for the LDCs including in the form of preference erosion and export and investment diversion. Thus, LDCs went to MC-10 with a number of concerns that informed both their offensive and defensive interests.

MC-10 outcome

In the end, whilst MC-10 was able to salvage the Doha Round and the WTO, it failed to make any tangible progress in terms of the LDC deliverables; key issues of concern and interest to the LDCs continued to remain unaddressed. In addition, deep divisions emerged among the key Member groups – the developed members on the one hand and the powerful bloc of emerging economies, on the other. This has now severely undermined the effectiveness of WTO as a consensus-based multilateral system and left WTO's future to a high degree of uncertainty. This conflicting stance concerned both approaches to negotiations and the substance of negotiations, with a lot of interpretative ambiguities in between. Some Members reaffirmed their commitment to the Doha Agenda and its successful completion, others believed that new approaches were needed to achieve meaningful outcomes through multilateral negotiations within the ambit of the WTO. Indeed, MC-10 Declaration was compelled to put on record and concede this divergence of views by stating that Members had different views on how to address the negotiations. All these will likely have

serious implications for systemic aspects of the WTO and perhaps these are also indicative of a possible move away from the single undertaking principle (nothing is agreed unless everything is agreed) which has traditionally informed WTO negotiations.

MC-10 Declaration and Annexes mentioned that Members strongly commit to addressing the marginalisation of LDCs in international trade and will contribute to improve their effective participation in the multilateral trading system. "Towards that end, we shall ensure that all issues of specific interest to LDCs shall be pursued on a priority basis, with a view to strengthening, making them commercially meaningful, and, when appropriate, legally binding" (paragraph 24). The declaration reiterated commitment to significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020.

As regards the LDC package adopted in Bali and other issues of interest to the LDCs, as was noted, the progress in MC-10 left much to be expected. One notable aspect that merits particular mention concerned the process of negotiations in MC-10. By most reckoning, it was by far the most exclusionary Ministerial Meeting, with negotiations being dominated by the big five – the USA, the EU, Brazil, India and China. Even the traditional Green Room negotiating process (with a larger participation, and with representation from key interest groups) was not put into effect; key non-five members representing various groups (e.g. the LDC group) were invited to the negotiating table on a case by case basis, only when relevant themes/paras were being discussed. This non-inclusive negotiating process came under severe criticism by the excluded Members, not to speak of by the many

civil society groups who kept a watchful eye on what was happening and how it was happening in Nairobi.

As regards the LDC issues, the Ministers took due note of the TRIPS council decision of November 6, 2015 on extension of special treatment for pharmaceuticals. One important decision concerned Preferential Rules of Origin in relation to LDC market access whereby concrete decisions were taken to make the RoO LDC-friendly (use of non-originating materials up to 75% of final value of product, allowing LDC and regional cumulation) and agreeing to make documentation less burdensome for the LDCs.

With regard to the DF-QF market access, an issue where Bangladesh has particular interest, the MC-10 Declaration repeated what had been said many times before: realise timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organisation decisions. This was nothing new. Negotiators in Geneva could not make much progress in this regard, also because of the difference in the stance between African LDCs (and Haiti) receiving DF-QF market access in US thanks to the AGOA (Africa Growth and Opportunity Act) and the Asia-Pacific LDCs which did not receive such preferential access. This is notwithstanding the fact that (and this been demonstrated through rigorous analytical work) it was possible to assuage concerns of African apparel-exporting members and still allow DF market access to Bangladesh and other Asia-Pacific countries (at least in certain apparel tariff lines). This points to the need for continuing consultation with African LDCs on the part of Bangladesh and other Asia-Pacific LDCs.

As regards services waiver for the LDCs, the waiver period was extended till 2031 (indeed, there was no progress

to speak of since the adoption of the waiver in 2011; thus, extension of the period from the earlier 2026 was indeed no big deal). Members were urged to notify their preferences which have commercial values and promoted economic benefits; members were also urged to specify technical assistance and capacity-building measures in support of LDCs. However, no real and concrete progress was made as regards operationalisation of the services waiver, particularly with respect to implementation of the preferential market access through flexible administrative procedures, visa-free regime, easier commercial presence, degree equivalence, recognition of accreditation certification, which have been requested by the LDCs.

As regards the S&D Monitoring Mechanism, LDCs had hoped that there will be room for negotiations for ensuring enforcement of the provisions on the part of developed members. However, there was no tangible development in this area. In effect, LDCs will only be able to bring to notice their concerns as regards implementation of the S&D provisions, without any guarantee for enforcement.

With regard to Aid for Trade, the dedicated window of Enhanced Integrated Framework (EIF—the special window for the LDCs) received a pledge of only 90 million USD over the next few years—the total request over the 2016-2021 period was to the tune of 280-320 million USD. Much more resources will indeed be needed for the LDCs in light of the Trade Facilitation Agreement in the form of Aid for Trade Facilitation. Additional resources will also be needed to implement trade-supportive and trade-promoting measures identified through the Diagnostic Trade Integration Study (DTIS) sponsored by the EIF to identify trade-related gaps and deficits in the LDCs.

Concluding remarks

For relatively weaker economies, a rule based multilateral trading system, with concrete and enforceable S&D provisions and supportive architecture, is no doubt the preferred route towards strengthened global integration. During the post-Nairobi phase and in the run up to MC-11 in 2017, Bangladesh should be proactively engaged in the negotiations in Geneva to ensure that the WTO remains committed to its mandate, and to the DDR agenda adopted at the MC-4 in 2001. By consolidating LDC solidarity, and by mobilising support from other key groups, Bangladesh will need to work towards meaningful implementation of the LDC package agreed in Bali MC-9. WTO must service the commitments made at the highest levels by the Heads of Governments, both in view of the IPoA and the SDGs. As a key player in the WTO, Bangladesh must keep on the pressure to secure and realise the promises that have been made and work to ensure coherence with respect to those commitments. At the same time, Bangladesh should keep its options open, to explore how it can be engaged with the various mega-regional blocs to secure its trade interests. Building trade-related supply-side capacities, putting in place trade facilitation measures, attracting domestic and foreign investment, reducing cost of doing business, productivity enhancement, skills upgradation and taking advantage of regional co-operation, proposed economic corridors and connectivity-improving measures—all these initiatives ought to receive highest priority in Bangladesh's development strategy to help her realise the potential opportunities emerging in the global market, by taking cognisance of the developments both within and outside of the ambit of the WTO.

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