

11TH WTO MINISTERIAL CONFERENCE

Bangladesh's offensive and defensive interests

THE 11th Ministerial Conference of the WTO (WTO MC11) is going to take place in Buenos Aires, Argentina between December 10-13. For the increasingly globalising economy of Bangladesh, the WTO and the functioning of the multilateral trading system—with its rules, regulations, disciplines, flexibilities and derogations—remain important in terms of safeguarding and securing its trade-related interests.

As is known, the developments in Geneva in the run-up to the MC11 have been rather discouraging, with key players not being able to agree on most of the agendas on the table. Nonetheless, deliberations on a number of issues will take place under the guidance of the five facilitators appointed by the WTO Director General Roberto Azevêdo. The discussions will focus on three types of issues: (a) ongoing negotiating agendas of the WTO; (b) built-in agendas; and (c) new issues. The facilitators will hold discussions on a wide range of areas clustered around five broad agendas: (a) agriculture; (b) development; (c) rules; (d) e-commerce; and (e) services. Bangladesh has *offensive* as well as *defensive* interests in all the aforesaid concerned areas which will come up for discussion.

It will be pertinent here to recall that, the launch of the Doha Round at the fourth Ministerial Conference (MC4) of the WTO in 2001 had infused a lot of enthusiasm and aspiration among the developing and least developed countries (LDCs). This positive vibe originated from the "development dimensions" which informed the ambitions set out in the Doha Round Agendas (DDA). It will not be too far off the mark to pass the judgment, in the backdrop of the six subsequent MCs, including the last MC10 in Nairobi, Kenya, that the initial high expectations have been significantly toned down by now.

New developments

A number of new developments have compounded the difficulties faced by the LDCs in the context of the global trading system: (a) *Slow Recovery*: Global economic recovery since the financial crisis of 2007-08 has been rather slow—average annual growth of global trade flow has been significantly lower than global gross domestic product (GDP) growth rate which is a notable reversal of the trends of the past decades prior to the crisis; (b) *Protectionist Policies*: The propensity on the part of many developed countries to pursue protectionist policies has been on the rise during the post-crisis period by way of deviation from national treatment and most favoured nation (MFN) principles and other rules in the WTO; (c) *New Developments*: New developments such as Brexit, volatility in commodity market, the rise of global value chains and aid fatigue are the "new normal" in the evolving global trade architecture; (d) *Systemic Issues*: Frustrated by the slow pace of negotiations in the WTO, a number of countries have begun to prefer plurilateral negotiations outside the ambit of the WTO. The principle of Single Undertaking has come under question; (e) *New Issues*: Some WTO members are arguing for inclusion of *new economy* issues in the MC11 agendas along with the *traditional economy* issues. Some are arguing for extending the built-in agenda (e.g. fisheries subsidies; disciplines in e-commerce) while others are keen on discussing new issues (e.g. investment facilitation). It is clear that compared to the Bali Ministerial (where an LDC

package was adopted) and, to some extent, the Nairobi Ministerial, there is no visible appetite on the part of key players to deal with issues of interests to most developing countries as also to address issues of concern and interest to the LDCs, as members get on with discussions at the MC11.

Issues of interest to the LDCs

The LDCs and Bangladesh will need to take cognisance of the unfolding scenarios, both in the context of the global developments and in view of the ongoing negotiations in the WTO to: (a) identify priorities; (b) assess the negotiating agendas from the perspective of offensive and defensive interests; (c) firm up negotiating stance in view of the MC11 agendas; and (d) identify strategies to pursue their interests including possible opportunities of coalition-building. As it stands, LDCs will need to consider three sets of issues: (i) ongoing WTO negotiating agendas; (ii) built-in WTO agendas; and (iii) new issues.

For Bangladesh some of the key ongoing agendas include operationalisation of: (a) DF-QF decision (MC6 decision in Hong Kong); (b) Implementation modalities of S&D provisions (MC9 decision); (c) Services Waiver (extended till 2030: MC10 decision); (d) TRIPS and Pharmaceuticals (Doha declaration extended till 2032: MC10 decision); (e) Rules of Origin for LDCs (MC10 decision); (f) Trade Facilitation

stimulating economic growth, investment and employment. As a key LDC member in the WTO, Bangladesh has an important role to play in ensuring that the LDC deliverables in the WTO are actually delivered. In the context of the WTO MC11, and the likely agendas for discussion at the MC11, Bangladesh may consider pursuing the following strategies.

Putting emphasis on Doha Round deliverables

There is a growing concern and apprehension that Doha Round may be abandoned and the so-called *new issues* will gradually dominate the negotiating agenda. In view of this, along with other LDCs and developing country members, Bangladesh should strongly argue in favour of securing the development dimensions of the Doha Round and that the deliverables agreed are delivered. MC11 ought to reiterate the WTO commitment towards an inclusive multilateral trading system. The historic backslide in the Nairobi Ministerial decision ought to be corrected.

Ensuring implementation of decisions favouring LDCs

Bangladesh should strongly argue in favour of designing implementation modalities in respect of decisions of the earlier MCs, particularly the Hong Kong Ministerial decisions with regard to DF-QF market access and subsequent MC decisions pertaining to



WTO director general Roberto Azevedo

PHOTO: REUTERS

upon successful completion of the Round. In view of this, Bangladesh and other LDCs should argue for decoupling the implementation of the decisions favouring the LDCs from completion of the Doha round. The decision with regard to DF-QF market access, Rules of Origin and other issues of importance to the LDCs should not be held hostage to negotiations on other issues and completion of the Doha Round.

New dynamics, new players, new issues

that at the MC11 there may be a decision on fisheries subsidies (a text has been circulated by the session Chair), some progress with regard to public stockholding, as regards setting up at least a working group in e-commerce. Bangladesh should remain engaged in these discussions and safeguard its interests by putting forward proposals in the form of S&D provisions, technical support and aid for trade.

Taking cognisance of the dual identity

Bangladesh is expected to be considered for LDC graduation in 2018, and to finally graduate out of the group, following two subsequent triennial reviews, by 2024. In this backdrop, Bangladesh will need to be alert to its *dual identity*—as an LDC now, and as a non-LDC developing country in the medium term. Three considerations emanate from this: (a) Bangladesh should strongly argue at MC11 (here it should be able to mobilise support of many other LDCs that are set to graduate in foreseeable future) that negotiations must be geared to support LDC graduation through supportive decisions; (b) Bangladesh should keep in perspective the implications of MC11 decisions not only for the LDCs but also for non-LDC developing countries and, if required, calibrate its negotiating stance in view of this; (c) in the backdrop of the likely graduation scenario, Bangladesh should strive to build up partnerships and coalitions which will best serve not only its immediate needs but also medium-term strategic trade interests.



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Agreement (MC9); and (g) Aid for Trade. Built-in agendas with regard to which some progress has been made in the negotiations include Agreement on Agriculture (AoA) and e-commerce. One area with regard to which some decisions are highly likely is the issue of fisheries subsidies.

Bangladesh's suggested strategies at MC11

There is a general agreement among the LDCs that a rule-based multilateral trading system is in the interest of the relatively weaker countries. However, LDCs need the policy space and policy flexibilities to ensure that the global trade regime creates a conducive environment for these countries to attain their socio-economic aspirations. For Bangladesh, remaining actively engaged with the WTO process is particularly important in the context of its increasing integration with the global economy, and the growing role that trade is playing in

Services Waiver for LDCs, decision with regard to TRIPS and Pharmaceuticals, the Bali LDC package and implementation of S&D provisions for the LDCs. With respect to a number of issues such as implementation of the decision on Services Waiver, Bangladesh and other LDCs have a number of concerns. These relate to areas in the offer lists submitted by members (for preferential treatment to service providers from the LDCs), requirements (ENT, certification, equivalence, etc.), market share (quota for LDCs), and relative importance given to modes of supply (LDC priority for Mode 4 on movement of natural persons). MC11 should be taken as an opportunity to bring more clarity on these issues to ensure meaningful implementation of the waiver.

An early harvest

The fact remains that the Doha Round has been dragging on for about seventeen years. While a number of decisions have been taken in favour of the LDCs, most are contingent

The emerging global scenario is changing fast, in respect of the dynamics of the global trade regime, the relative strength of players and the issues which are crucially pertinent for contemporary trade. Correlation of forces in the WTO is changing: countries such as India and China are playing an increasingly important role with their shifting focus and priorities; coalitions are shifting; global value chains are becoming integral parts of global trade; South-South trade is in the ascendancy; the role of regional and sub-regional trade and economic cooperation is becoming prominent. All these changes in dynamics are making trade issues more complex. It is becoming a world of *variable geometry*. Bangladesh will need to be alert to these new dynamics and, if and when needed, be open to options and opportunities to remain engaged.

Being engaged on new issues

In all likelihood, there will be a big push to have decisions, or at least discuss, with regard to the new issues. It is anticipated

It is highly likely that the Doha agenda will be revisited, and a post-Buenos Aires Work Plan will be discussed and agreed upon by members.

Bangladesh, as also other LDCs, should remain proactively engaged in these discussions during the MC11 negotiations.

Remaining engaged in discussion on post-MC11 Work Plan

There is a general agreement that expectations should remain "realistic" with regard to MC11 outcomes. This means that few concrete modalities and decisions are envisaged at MC11. It is highly likely that the Doha agenda will be revisited, and a post-Buenos Aires Work Plan will be discussed and agreed upon by members. Bangladesh, as also other LDCs, should remain proactively engaged in these discussions during the MC11 negotiations. Identifying implementation modalities, S&D provisions and flexibilities in view of the discussions on the post-MC11 Work Plan, to secure and safeguard its offensive and defensive interests, should receive highest priority from Bangladesh's negotiators at the Mc11.

Mustafizur Rahman is distinguished fellow at the Centre for Policy Dialogue.

A WORD A DAY



MISSIVE
noun

A message or a letter

CROSSWORD BY THOMAS JOSEPH

ACROSS

- 1 Significant
- 6 Coffee bar order
- 11 Chicago hub
- 12 Striped rock
- 13 Sir's counterpart
- 14 November birthstone
- 15 Skips a ceremony
- 17 Energy
- 19 Failure
- 20 Farm father
- 23 Friendly nations
- 25 Swaying dance
- 26 Site in the news
- in 1941
- 28 Visitor to Siam
- 29 Harmonious
- 30 Back muscle
- 31 Final part

DOWN

- 32 Earthy prefix
- 33 Montreal university
- 35 Deep pink
- 38 Paper buys
- 41 Bakery output
- 42 Start
- 43 Principle
- 44 Meant Spirited
- 45 Day pts.
- 27 Fireplace sight
- 31 Showy display
- 33 Jerry Herman musical
- 34 Dunham of "Girls"
- 35 Lynx or lion
- 36 Bonanza stuff
- 37 Harry's friend
- 39 Ran into
- 40 Sow site

YESTERDAY'S ANSWER

SHADE	PRIG
HOSES	PLANE
ROOFS	LATTE
IFFY	BUYERS
MEN	ARM DOE
PROTRACT	
SWIG	OAFS
SPANUS	CONTRACT
HERMAN	LILY
ADIEU	FATES
GREAT	AVANT
SOLD	BASES

BEETLE BAILEY



BABY BLUES



BY KIRKMAN & SCOTT

