

# INAUGURAL CEREMONY

## ADDRESS BY AMBASSADOR SHAHID BASHIR (PAKISTAN), CHAIRPERSON OF THE WTO DISPUTE SETTLEMENT BODY

Vice President of the European Parliament,  
Member of the IPU Executive Committee,  
Excellencies,  
Distinguished parliamentarians,  
Ladies and gentlemen,

I am both pleased and honoured to be here with you today at the Inaugural Ceremony of the annual session of the Parliamentary Conference. I wish to thank the IPU Secretary General for extending an invitation to me to address this august gathering of over 300 parliamentarians and government representatives from all over the world.

The previous Conference was hosted by the WTO in March 2011. I intend to initially talk about the developments since then. As you are aware, at that time, Members of the WTO were fully engaged on all issues of the Doha mandate in a Chair-led process to develop clarity about the perception gaps among the Members in finding a way forward. About a month later, before Easter 2011, all the Chairs had tabled their reports, which were compiled into one set of documents for the first time since the launch of the Round. It was felt that in many areas, especially in the area of market access, the gaps were unbridgeable at that time. The consensus was that business as usual was not an option. Since the 8<sup>th</sup> WTO Ministerial was just around the corner, the option was to make efforts to define and deliver a small package at the Ministerial. Considerable emphasis was placed on the development dimension of the Round as an early harvest. There were differences among the Members on the contours of the package and no consensus could be found. It was decided that instead of a formal communiqué after the Ministerial, the Chairman would issue a statement in two parts. The first part was based on the consensus of the Members and the second was developed under his own responsibility.

During the Ministerial, Members fully recognized the importance of the multilateral trading system and reaffirmed that development was a core element of the WTO's work. Simultaneously, the impasse in negotiations to complete the Doha Agenda was also recognized and the Ministers directed the delegations to fully explore different negotiating approaches while respecting the principles of transparency and inclusiveness. The Ministers also stressed the need to intensify efforts and look into ways that might allow the WTO to overcome the most critical and fundamental stalemates in the areas where multilateral convergence had proven to be more challenging. The Ministerial approved an LDC services waiver i.e. any Member giving more market access to LDCs would not be considered to be in violation of the MFN principle. In addition, the accession packages of Russia, Samoa and Vanuatu were also approved.

This year, so far, the primary focus of negotiations has been on non-Doha issues, which included convergence on a flexible process for LDC accession to the WTO. Allow me to also mention that three new Members have formally submitted their ratification instruments, and the General Council has approved the accession package of Lao People's Democratic Republic. After its formal accession, the number of WTO Members would stand at 158.



The next WTO Ministerial is scheduled for the end of 2013. Members are currently engaged in defining initiatives, which are doable to move forward. This is a critical moment and the multilateral rules-based system cannot afford a failed ministerial. We need to identify possible steps this year and decide the work programme to be undertaken after the 9<sup>th</sup> Ministerial. This is where we currently stand.

Against this backdrop, the theme of this Conference, Connecting politics and trade and the specific topics for deliberation: Trade as a tool of economic growth, job creation and poverty alleviation and Analysing 21<sup>st</sup> century trade challenges are appropriate and will generate ideas to help negotiations in Geneva.

Since 2008, due to the global recession, there was a fear that countries might resort to protectionist policies, which could result in deepening the recession not unlike the experience of the 1930s. It was due to the multilateral rules-based system and monitoring of trade policies by the WTO that these results were avoided to a great extent. Without going into the details of the causes of negotiation difficulties, we should also recognize that there has been a paradigm shift in the global economy since the beginning of this millennium. On the one hand, China has grown to become the world's second largest economy and is now the biggest exporter of goods; on the other hand, US and Japanese debt have arisen to unprecedented levels and the euro zone crisis, which is yet to be contained, has resulted in a loss of jobs and low economic growth. We also witnessed this year a slowdown in the growth of international trade in China, India and other emerging countries. This year the global economy will grow slightly over 3 per cent and is predicted to grow by about 3.5 per cent next year.

Negotiators in Geneva are technically equipped but require your political guidance to develop convergence at the multilateral level. Your valued contribution during this Conference can help the negotiators find a way out of the impasse as well as address the new challenges faced by global trade. While keeping the Doha mandate intact, we perhaps need some creative thinking to keep the WTO relevant to current realities.

Before concluding, I should mention that in some quarters the WTO is considered to be synonymous to the DDA and multilateral negotiations to further liberalize trade. This is not exactly true. The normal functioning of this Organization is to keep a constant watch, through regular committees on the implementation of the multilaterally committed regimes, over all areas and monitor trade policies through peer reviews by the Members. Moreover, to address disputes between Members a rules-based and highly respected dispute resolution process is delivering to keep the integrity of multilateral trade intact. In this way, the work being done here is transparent, valuable and protects the system for the benefit of global trade. The crucial question is how to move forward in updating the rules and to achieve the objective of sustainable growth while further liberalizing trade. These are questions to which there are no simple answers. But your deliberations may well provide some useful leads.

I am sure that your deliberations will be fruitful and wish the visiting parliamentarians a pleasant stay in Geneva.

