
PARLIAMENTARY CONFERENCE ON THE WTO

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Forty-first session of the Steering Committee

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FOLLOW-UP TO THE 2017 ANNUAL SESSION

Summary of the Parliamentary Conference on the WTO

(Buenos Aires, 9-10 December 2017)

The Parliamentary Conference on the WTO took place on the premises of the National Congress of Argentina on the occasion of the 11th WTO Ministerial Conference.

There were six sessions on the Conference agenda as described below.

I. INAUGURAL SESSION

The inaugural ceremony was addressed by:

- Ms. M.G. Michetti, President of the Senate of Argentina,
- Ms. G. Cuevas Barron, President of the IPU,
- Ms. M. Mc Guinness, Vice-President of the European Parliament,
- Ms. S. Malcorra, Chairperson of the 11th WTO Ministerial Conference,
- Mr. J. Faurie, Minister of Foreign Affairs of Argentina,
- H.E. Mr. X. Carim, Ambassador, Permanent Representative of South Africa to the WTO, and Chairperson of the WTO General Council, and
- Mr. E. Monzó, Speaker of the Chamber of Deputies of Argentina.

The speakers highlighted the importance of a parliamentary contribution to the international trading system that was facing huge challenges in terms of loss of confidence by the population, globalization and the belief that it caused the loss of employment. They all expressed their belief that, considering the prerogatives and position of parliamentarians as the representatives of the people, parliamentarians should contribute to the debate on the international trading system.

II. BUENOS AIRES AND BEYOND: Hearing with the Director-General of the WTO Mr. R. Azevêdo

Moderator: Mr. K. Örnjäder, Member of the Parliament of Sweden,
Co-Chair of the Steering Committee of the Parliamentary Conference on the WTO

Presentation by Mr. R. Azevêdo, Director-General, WTO

At the outset, Mr. R. Azevêdo expressed his gratitude for the parliamentarians' support and engagement. Parliamentarians played a very crucial role in WTO's work through debates on, approval and ratification of WTO agreements, as well as through the pressure they applied and the guidance they gave to their respective governments when engaging in key issues.

Mr. R. Azevêdo added that parliamentarians also helped the WTO connect to the people—the parliamentarians' constituents—they all served. Parliamentarians played a fundamental role and the WTO relied on them to pass on to the WTO, through platforms like the PCWTO, the concerns of their communities but also to inform their communities about WTO's work. That was a very important link; it helped to promote inclusivity in the global trading system and enabled the WTO to ensure that the benefits of trade reached further and wider.

Mr. R. Azevêdo believed that they had a pretty good basis to build on. He briefly recalled their last two Ministerial Conferences which had delivered a series of major agreements, including the Trade Facilitation Agreement (TFA), the abolition of agricultural export subsidies, and the expansion of the Information

He said that parliamentarians built a strong momentum behind the WTO. The successes of recent years put the WTO on a very positive path which should be followed in Buenos Aires.

Mr. R. Azevêdo concluded his presentation by stressing that the discussions during the 11th WTO Ministerial Conference would provide an opportunity to make progress where possible and to set the direction for future work.

Presentation by Mr. K. Brauner, Deputy Director-General, WTO

While highlighting the important role parliamentarians had to play in the global trading system, Mr. K. Brauner took it one step further by saying that from the perspective of a member-driven organization, whose members were governments that were under the control of parliaments, it was the parliamentarians who held the remote control. The WTO Members would do what they, as parliamentarians, allowed them to do. He insisted that the WTO very much hoped that, under parliamentarians' guidance, the Members would achieve fruitful outcomes in Buenos Aires,

According to him there were three ways forward: agreements that covered the entire membership with a fairly low level of ambition; agreements that covered the entire membership, but with different levels of engagement; and plurilateral agreements. In all cases success would be incremental. The WTO answered to the needs of business and the agreements set the legal framework that gave businesses transparency, predictability and legal certainty. However once a need was met, it was no longer perceived as such and, as a result, WTO's continued work would not be highly appreciated.

He hoped that one of the outcomes of MC11 would be a modest entry into the abolition of fisheries subsidies and that a work programme for the WTO would be developed.

Discussion

The following issues were raised during the debate:

- The need to improve the WTO appellate body, not only at the multilateral level but also at the plurilateral level, including through the establishment of a court system based in Geneva.
- The need to ensure that development remained at the centre of the WTO's agenda during and after MC11.
- The need to raise awareness among parliamentarians on their participation in the WTO's work.

III. PRESENTATION OF THE JOINT DECLARATION ON TRADE AND WOMEN'S ECONOMIC EMPOWERMENT by Ms. A. González, Executive Director, International Trade Centre

Referring to the important percentage (47%) of WTO agreements containing provisions on women, Ms. A. González said that parliamentarians had to ensure that the issue of women in trade was discussed in the WTO. The aim was not to segregate women in trade or to create a special category for women-owned businesses. It was rather a question of launching a process to exchange best practices to ensure that the number of exporting companies owned by women increased.

The objective was to ask members of the WTO to support the Joint Declaration on Trade and Women's Economic Empowerment that constituted a political, rather than a legal, commitment and provided for a two-year exchange of experiences with effect from January 2018. Ms. A. González informed the participants that some 100 Members of the WTO had already expressed support for the Declaration.

Counting on parliamentarians as strong supporters of women's economic empowerment, Ms. A. González asked them to encourage their governments to support the Declaration which would be presented to the Chair on the final day of the Ministerial Conference.

Discussion

In the debate the participants highlighted the following points:

- It was proposed to mark a day on trade and women's economic empowerment.
- Parliamentarians must legislate to ensure that women had access to finance.
- Women e-commerce businesses had to be created.

IV. WHAT CAN WE EXPECT FROM MC11: Dialogue with senior WTO negotiators and officials

Moderator: Mr. P. Rübiger, Member of the European Parliament

The moderator set the scene of the debate with three questions:

- What could small and medium-sized enterprises and people active in digital trade and services expect from MC11?
- Would MC11 provide a permanent solution to the issue of public stockholding following the temporary decisions at the Ministerial Conferences in Bali and Nairobi?
- What could be accepted with respect to fisheries subsidies and would the WTO be able to facilitate delivery of the Sustainable Development Goals, notably Goals 2, 6 and 7?

H.E. Mr. S. Ndung'u Karau

Ambassador, Permanent Representative of Kenya to the United Nations Office and other International Organizations in Geneva,
Chairperson of the Committee on Agriculture, Special Session

H.E. Mr. S. Ndung'u Karau said that they began with eight issues on the table and that it was clear from the outset that members expected an outcome in four of them. A work programme and guidance on four issues, including export competition, sanitary and phytosanitary measures, and market access were also envisaged. Members also expected some input regarding the direction of the discussions and principles of a work programme on the issue of domestic support.

An interim solution on public stockholding was reached in Bali and there had been a mandate to achieve a permanent solution by the end of 2017. There had been very heavy engagement in that area. The delivery of an outcome was at the judgment of the Members.

With regard to cotton, Mr. S. Ndung'u Karau said that, at the very least, a reaffirmation of what was said in Nairobi was expected. He was not very optimistic regarding domestic support and ministers had some decisions to make in this area during MC11. Some progress on the issue of export restriction was expected at the WTO but that was in the hands of the members.

H.E. Mr. H.M. Cima

Ambassador, Permanent Representative of the Argentine Republic to the United Nations Office and other International Organizations in Geneva,
Chairperson of the Council for Trade in Services, Special Session

H.E. Mr. H.M. Cima pointed out that negotiations in services had specific characteristics and that there might not be any progress in Buenos Aires at the multilateral level concerning the issues of domestic regulation. Some countries might decide to move forward at the plurilateral level. That had not yet been decided, and many members had expressed their readiness to continue to work towards a multilateral consensus on the issue.

There was a perception that it was difficult to achieve outcomes at the WTO given the difficulties in striking a balance between the topics. The WTO was in transition and the way forward was going to be discussed in Buenos Aires. Mr. H.M. Cima concluded by saying that the way forward depended to a large extent on parliamentarians. Delegates in Geneva received instructions from their governments which received instructions from parliamentarians.

H.E. Mr. D. Chambovey

Ambassador, Permanent Representative of Switzerland to the WTO,
Chairperson of the Negotiating Group on Market Access

H.E. Mr. D. Chambovey said that with regard to market access for products and services, there was a proposal that sought to improve transparency of regulatory measures to facilitate transactions for small and medium-sized enterprises. He went on to say that there were concerns and that work on the matter had been polarized: on the one hand, they had the authors of the proposal and, on the other, the developing countries that were fearful that their regulatory capacity would be limited. The WTO was proposing to hold a debate on the issue of transparency of regulatory measures and to consider the matter at MC11.

H.E. Mr. Marc Vanheukelen

Ambassador, Permanent Representative of the European Union to the WTO

H.E. Mr. Marc Vanheukelen informed the participants on the proposals the European Union had made over the last two years to take forward the multilateral dossier. There was reasonable optimism that concrete results would be achieved on a few topics. It was hoped that clear directions on how to take forward newer topics, such as e-commerce, investment facilitation, and small and medium-sized enterprises would be received.

Discussion

The following points were discussed:

- WTO's views regarding the EU agricultural policy from the perspective of future policies' reform to ensure vibrant rural areas.
- WTO's work to achieve fairer and freer trade given the economic and financial disparities of countries.
- The implementation of same rules in all WTO Members.
- Tax exemptions for countries with weaker economies.
- Whether the WTO was considering to take action to lower market restrictions and enable poorer countries to have a fair share of the profits thus generated.
- WTO measures to ensure that developing countries were able to benefit from market access, including those in Europe and America.
- Reliance on customs revenue by many West African states budgets.
- The contribution of highly educated business people to the rules-making process.
- How to ensure that the WTO was not at risk in the future, considering the position of the United States in terms of protecting its national market and companies.
- How to have poor countries benefit from fisheries subsidies.
- The review of special and differentiated treatment which was reserved for developing countries.

V. E-COMMERCE AND THE INTERNATIONALIZATION OF SMEs

Moderator: **Ms. I. Rodríguez-Piñero Fernández, Member of the European Parliament**

Ms. I. Rodríguez-Piñero Fernández said that SMEs could become micro-multinationals and that women could become successful international businesswomen. Where there were opportunities there were also challenges, including lack of technological awareness, monopolization of the Internet by large companies, and barriers to digital trade. She recognized the responsibility of parliamentarians to turn these challenges into opportunities by ensuring that governments implement the needed policies. To this end, parliamentarians must secure greater investments in human capital, in building the communication infrastructure to ensure Internet access and provide appropriate services, and must develop an adequate regulatory framework. She highlighted the need to promote the establishment of a WTO working group to address these issues and ensure that digitization left no one behind.

Rapporteur: Ms. E. McClarkin, Member of the European Parliament,

Ms. E. McClarkin believed that while digitization offered huge opportunities, it also presented organizational, technological and legal challenges, which had to be overcome. She suggested that as parliamentarians they:

- promoted public and private investment to increase connectivity and capacity-building for e-commerce;
- created a policy framework that facilitated digital trade and the cross-border flow of data;
- promoted and accelerated SME participation in the global economy, including by looking to reduce market access barriers and high compliance costs; and
- facilitated access to secure and reliable international online payment tools as a means of building trust in the Internet for international trade.

Ms. E. McClarkin believed that a multi-stakeholder approach should be taken to advance regulations on matters of the digital agenda. If the correct policies were in place, e-commerce would promote an open, inclusive environment and broader access to the economy. In addition, it would also empower women, create employment and lift people out of poverty.

Discussion

Participants discussed the following: the following

- The establishing of domestic regulatory frameworks to overcome regulatory concerns.
- How to ensure that a pioneering technology of the 21st century did not have a politically disruptive effect at the national level.
- The fostering the development of cross-border trade for SMEs using multilateral e-commerce rules.
- WTO's actions aimed at facilitating cross-border trade for SMEs.
- The coordination and exchange of best practices to make it easier for SMEs to obtain access to credit and finance and to build trust in the digital marketplace by making it secure.
- The setting of a time frame for the establishment of minimum connectivity requirements with a view to overcoming inequalities in access that exist between countries of the North and South.
- How to ensure that developed, developing and least developed countries achieve equity in e-commerce and the steps to be taken into account.
- The follow up on WTO agreements and decisions to ensure that legislation was enacted and budgetary provisions made for their implementation.
- The elaboration of individual studies prior to negotiations in order to understand the position, strengths and weaknesses of each country.
- How to ensure that creativity continued to flourish in all settings to foster an inclusive society.

VI. THE ROLE OF MULTILATERALISM IN TIMES OF RISING PROTECTIONISM

Moderator: Mr. A.S. Thakur, Member of Parliament (India)

Mr. A.S. Thakur said that the session would give the participants an opportunity to discuss the ways in which the WTO could become more effective in providing a shield against protectionism. He suggested to the participants to seek answers to the following question: Could we identify the reasons why trade and globalization were increasingly viewed with skepticism and suspicion in both developed and developing countries?

Rapporteur: Mr. P. Rübiger, Member of the European Parliament

Mr. P. Rübiger said that parliamentarians needed to ask what the cost would be if the WTO did not exist and what the added value of the WTO framework was. He reminded the participants that every vote in the WTO had the same weight. Membership allowed for the highest level of democratic and diplomatic decision-making, although decisions could be reached at the plurilateral,

bilateral and regional levels if a harmonized solution could not be found at the multilateral level. The WTO provided a valuable service through its rules-based framework and dispute settlement mechanism. As parliamentarians, they should strive to ensure the harmonization of rules where appropriate.

He expressed his concern about the trend in recent years to move away from democratic, diplomatic decision-making towards military confrontation. The WTO had a very important role to play to ensure that global trade governance remained predictable, transparent, enforceable and uniform. Dialogue with all stakeholders in the value chain was essential, as were investment facilitation and incentives.

Rapporteur: Ms. B. Kenewendo, Member of Parliament (Botswana)

Ms. B. Kenewendo said that protectionist policies posed a threat to global trade which had declined over the previous five years. However, there were lessons to be learned from the dangers of such policies. In order to avert a crisis, multilateral institutions and their members should engage in institutional reforms that were in line with current global demands, embrace technology and foster the growth of regional economic blocks.

In her opinion the multilateral trade system had to be reinvigorated, inclusive and beneficial to vulnerable groups. The theoretical benefits of trade needed to be translated into reality to ensure that trade could offer a solution to the myriad of problems facing their countries.

Discussant: Mr. M. Kituyi, Secretary-General of the United Nations Conference on Trade and Development

Mr. M. Kituyi said that the problems associated with globalization concerned the failure to recognize the importance of a certain level of regulation. He recognized that there had been winners and losers from globalization and that the disaffected had been rejecting rules-based global engagement.

The multilateral, rule-making system in global trade had been viewed as cumbersome and very slow moving, leading some to consider the multilateral trade system as a problem. However, that system was the least costly method of achieving inclusive agreement on how to stabilize global trade engagements. It was incumbent on the political leadership to understand that a return to protectionism would be highly detrimental to an inclusive, rules-based multilateral system suited to the current reality.

Mr. M. Kituyi concluded saying that political leaders needed to take greater political charge rather than allowing technicians to treat political decision-making on multilateral trade as a technical process.

Discussant: Mr. I. Guajardo Villarreal, Minister of the Economy, Mexico

Mr. I. Guajardo Villarreal said that multilateralism had been touted as a means of promoting inclusivity among the world's economies. He considered that multilateral institutions were not exempt from challenges. Thus, in analyzing the role of the WTO, he said that stakeholders must establish their expectations of multilateral trade and of the WTO. Policy-making authorities had a responsibility to preserve a strong rules-based multilateral trading system that would guarantee benefits for all. He recalled that recent political outcomes had sent us all signals. The problem had deepened due to a lack of information. People had to do more to develop inclusive policies to take care of the generations left behind in the process of transformation. People should not be guided by the view that new areas for discussion in the WTO should not be opened until old areas had been completed. Rather, they had to move forward and shape the new trends of the world economy into the kind of framework that today's multilateral system needs.

Discussion

The following points were made during the discussion:

- The need to provide examples of successful investment facilitation in trade agreements and of institutional reforms in the multilateral trading system.

- It was mainly the developed countries that complained about the WTO and not the least developed or developing countries.
- The need to make rules more transparent and consistent, to ensure there were no double standards, and to have cooperation prevail to ensure a "win" for all sides, rather than confrontation.
- The opposition of the Southern African Development Community (SADC) and Africa to protectionism.
- Multilateralism was to be considered as the only system that could provide consistent rules and as an institutional framework that helped to maintain the concept of democracy, the nation State and globalization and defend the different interests of all.
- The removal by developed countries of barriers to economic participation.
- A clear message about trade should be communicated to all stakeholders, including civil society, NGOs and SMEs to ensure that they continue to trust our policies.
- WTO's actions to influence parliamentarians in industrialized countries to ensure fairer rules and advisories regarding the movement of people, labour and services.
- The need to strive for inclusive multilateralism, which was directly linked to sustainable development and was the strongest safeguard of a peaceful society and a progressive global economy.
- Actions and policies that should promote the oversight role of parliaments in maintaining multilateralism and ensure that the universality of the WTO was achieved by preparing the ground for countries seeking accession.
- WTO Members that must shape the multilateral trading system and provide direction to ensure that the system was fair, equitable and balanced, and that it functioned as an effective bulwark against latent and obvious protectionist measures.