

8th WTO Ministerial Conference: No Business as Usual Again Please

Ministers of the WTO member countries must use the opportunity of the forthcoming WTO Ministerial Conference to re-affirm their individual and collective commitment to the multilateral trading system (MTS). They can do it by taking measured but bold actions to strengthen the WTO on the one hand and to facilitate the development of its weaker members on the other.

WTO will hold its 8th Ministerial Conference in Geneva, Switzerland from 15-17 December 2011. Ministers are being asked to provide political guidance on three important issues: importance of the Multilateral Trading System and the WTO; Trade and Development; and the DDA. Together these three sets of issues present both a challenge and an opportunity to shape an agenda for global and shared prosperity in the face of global economic crisis.

Unfortunately, the most recent WTO MC, also held in Geneva in December 2009, did not set a high standard. Even before that and after, the G-20 Heads of Government and Finance Ministers' meetings have made statements to conclude the DDA, but even they too have failed. No wonder, meeting under the shadow of a stalled DDA, in December, 2009 trade ministers opted for a ceremonial rather than a substantive outcome. This did not help. While the MC7 was formally declared a "success", DDA stalemate continued and the credibility of the MTS eroded. The worst victims were the weaker members. For these countries, the promises of enhanced market access and equitable international trade rules remained elusive. These countries now face even greater challenges including food security, climate change, and the impact of ongoing economic crisis. Ministers must not let them down again.

Admittedly, it is not easy to reach consensus among 150 plus members, particularly in a polarized environment and faced with a serious global economic situation. But these are the times to go beyond narrow commercial interests of individual countries and to send strong and positive signals. A common vision for a prosperous future must take precedence over scoring brownie points today. At the very least, ministers should take concrete steps towards the following:

1. Strengthening the WTO as the mainstay of the international trading system through institutional reform, particularly by improving transparency and inclusiveness for developing countries
2. Declaring a moratorium on DDA while carving out and adopting concrete measures in favour of weaker countries including Duty-Free-Quota-Free (DFQF) market access for LDCs, substantial reduction in cotton subsidies, and substantial and additional Aid for Trade resources

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3. Maintaining the principle of Single Undertaking for future as developing countries will not buy the variable geometry approach, under which weaker countries will likely get squeezed in as many have experienced in bilateral agreements with rich countries.

