

12 February 2014

Help WTO keep up the Bali momentum, Azevêdo asks parliamentarians

Director-General Roberto Azevêdo told the European Parliament Committee on International Trade and the Steering Committee of the Parliamentary Conference on the WTO in Brussels on 12 February 2014 that: “All WTO members worked very hard last year to conclude the negotiations and deliver the Bali package. So now let’s make it count, by delivering the benefits of the package. And I ask again for your help in keeping up the pressure and momentum that we will need to make it happen.” This is what he said:

Good morning ladies and gentlemen — it is a pleasure to be here.

I want to thank you for inviting me to speak to you today — particularly Professor Vital Moreira as Chairman of INTA and Mr Krister Örnfjäder as co-chair of the Steering Committee.

The work of the Committee on International Trade and the “Parliamentary Conference on the WTO” is very important for the multilateral system.

As parliamentarians, not only do you ratify or approve the results of the negotiations that take place in Geneva and explain them to the domestic audience; you also connect the WTO as an organization to the people that we exist to serve: the people of your constituencies.

We rely on you, through your Governments and through forums like this, to pass on the cares and concerns of the people in your community. It is an important link — and an important way of ensuring that our global trading system works at the local level.

That’s why we have worked to build strong relationships with parliamentarians in Europe and around the world.

And, as this is our first meeting since Bali, I am delighted to be able to formally report back to you, for the first time, on the success of that Ministerial Conference.

Some of you were there, and so I would like to take this opportunity to thank you for the support shown for our efforts to deliver the WTO’s first multilateral agreement since its creation in 1995.

Bali was clearly an historic moment for the WTO.

It brought significant gains for the global economy — for developed, developing and least developed countries alike. Economists forecast that the Bali package will provide a significant boost to the global economy, delivering much-needed growth and jobs.

But Bali was truly historic because it proved, for the first time, that we can deliver negotiated outcomes.

In this sense it heralded a new era for the multilateral trading system – and a new era for the WTO.

But – of course – Bali has not finished the job – far from it.

We have two very significant tasks before us.

- First and foremost, we need to implement the decisions and agreements reached in Bali.
- Second, the Bali Declaration instructs us to prepare a clearly defined work program on the remaining Doha Development Agenda issues by the end of 2014.

So the real work starts now.

These two tasks will form the bulk of our work over the course of this year – and this is what I want to talk about this morning.

IMPLEMENTING THE BALI PACKAGE

First, let's focus on implementation.

The true significance of the Bali package, and the tangible realization of its benefits, will only be achieved as a result of the actions that WTO Members take over the coming months.

This is an important test for the system – and one which we must pass if we want to move forward and see the benefits of Bali made real.

This challenge is particularly pressing in the agreement on [Trade Facilitation](#), given its scope and the complexity of the commitments undertaken.

This decision sets out to simplify and modernize customs procedures, and make them more transparent, thereby reducing transaction costs.

Significantly the Agreement also ensures the provision of technical assistance to support developing economies and the least-developed economies to implement these modernizing reforms, and therefore help them integrate better into global trade flows.

Work has already started in Geneva to ensure the entry into force of the Trade Facilitation Agreement with the first meeting of the Preparatory Committee on 31 January.

This Committee will swiftly commence the execution of the tasks Ministers gave it in Bali – specifically, to ensure the entry into force of the Trade Facilitation Agreement and prepare for its efficient operation.

We will need your help as parliamentarians to ensure that the agreement completes the necessary ratification processes so that it enters into force in good time.

But our ability to move the whole of the WTO agenda forward hinges on our ability to fulfil those promises to provide timely and effective technical assistance for developing and least-developed countries.

To support those countries the Secretariat will continue its needs assessment program to help identify what support they need as early as possible.

Donor Members and various donor organizations are also getting ready to provide vital comprehensive support on Trade Facilitation.

I met with over 25 countries and organisations last week for an initial conversation about the importance of working cooperatively in the provision of support to developing countries.

The WTO will of course help to facilitate the interaction between the donors and the beneficiaries. And parliamentarians on both sides can help to maintain momentum here. So there is important – and urgent – work ahead.

Of course Trade Facilitation was just one of ten ministerial decisions taken in Bali.

There were four decisions on [Agriculture](#).

This is an important pillar of the Doha Development Agenda, which the WTO has been working on since 2001. So it was important to take a step forward on agriculture – but members were realistic and pragmatic as to how this was best done.

This was clear in Europe's willingness to make a contribution on Agriculture commensurate with what was happening in other areas like trade facilitation. I think this kind of pragmatism was appreciated by other WTO members.

Important steps were taken at Bali, for example on the issue of export subsidies and measures of similar effect. And there was practical progress towards better implementation of the tariff quota commitments assumed in the Uruguay Round.

There was also a reaffirmation and a deepening of the political commitments assumed in Hong Kong on cotton – a very important issue for the African countries that grow the crop.

The Package also provided for negotiations concerning food security programs in developing countries, which allow for the stockpiling of grain for subsequent distribution to the poor.

Finally there were also a series of decisions taken on [Development issues](#). Within this there is a specific package for the least-developed countries which was a key achievement at the Bali Ministerial – representing a very significant step towards the better integration of LDCs into the multilateral trading system.

It includes:

- reforms that would create new export opportunities for LDC service providers in developed country markets;
- improvements in preferential schemes which extend exemption from tariffs and quotas to LDC exports.

- and simplification of the accompanying rules of origin, which will improve the market access opportunities for the LDCs.

But, here too, Bali represents a beginning, not an end. A significant amount of work is needed to convert these decisions into concrete gains for LDCs — requiring continued effort and focus from all Members to take them forward.

More broadly, and affecting all developing countries — including LDCs — there was also the decision to introduce a monitoring mechanism to provide for the review and strengthening of special and differential treatment provisions. This achievement is vital for the equilibrium and efficacy of the multilateral system.

Together these ten decisions represent real progress.

All WTO members worked very hard last year to conclude the negotiations and deliver the Bali package. So now let's make it count, by delivering the benefits of the package. And I ask again for your help in keeping up the pressure and momentum that we will need to make it happen.

DDA WORK PROGRAMME

But, as I say, implementation is only the first task.

The second is to get talks going again and prepare a clearly defined work program on the remaining Doha Development Agenda issues by the end of 2014.

I've been listening to Members very carefully on how we should go about this, and I think one thing is clear: in order to look forward, we must also look back.

We must learn from the mistakes of the past — and also, now, from the success in Bali.

Bali offered us a number of good lessons in how to be successful multilaterally.

But I believe it will be very difficult to replicate the approach where we avoided the core issues — agriculture, industrial goods, services — and found harvests elsewhere.

The large majority of Members have been pointing out that any future multilateral engagement will require outcomes in agriculture.

However, if agriculture comes into discussion, then so do the other two legs of the tripod: industrial goods and services.

I know this is the position of the EU and I think discussing these issues collectively, mindful of the sensitivities inherent in each of them, will be an important step we need to take in finding a way forward.

Agriculture, for example, will need to be handled carefully. I do not see us replicating what was tried before as this has not been successful. But in looking for any new approaches there will need to be a real appreciation of the sensitivities that exist on this issue, including here in Europe.

We must aim at meaningful outcomes — but we must also be aware of the political limitations of each issue in each country. This balance will have to be found in all negotiating areas.

If we don't do this then I doubt we will be able to make progress.

Even though we can't replicate Bali precisely, there are lessons learned that we must keep in mind.

And I believe that some parameters have already emerged which seem to be framing the discussion.

I will talk through some of these parameters now, as I perceive them — though I stress that this is not an exhaustive list, nor is it arranged in order of priority or importance. It is intended merely to provide some inspiration in the discussions we'll have.

- **First, development** has to be preserved as the central pillar of our efforts. Above all, we must have tangible results for the poorest members.
- **Second** is that we must be realistic and focus on those things which are **doable**. Instead of abstract goals, let's look at what we can do and set goals that are reachable. We must find a balance between ambition and realism.
- The **third** parameter is that the big issues in the DDA are **interconnected**, and therefore they must be tackled together. So, again, as it was in Bali, **balance** is key. We must find an approach in which all members contribute and all members benefit. Bali worked because **all** members wanted it — and no-one was faced with impossible demands.
- **Fourth**, in order to make headway in these areas, we must be ready to be **creative** and keep an open mind to new ideas that may allow members to overcome the most critical and fundamental stumbling blocks. This creativity, however, has to be coherent with the DDA mandate, which is flexible enough to accommodate new paths.
- **Fifth**, the process must continue to be **inclusive and transparent**, engaging all members at all stages of the negotiations. This was a very important factor in Bali.
- **Sixth**, our efforts must have a sense of **urgency**. This was also an essential element of the success in Bali and we cannot afford to wait another 18 years for a result. We must be careful, however, not to rush recklessly into another cycle of failures due to bad planning.

Finally, I think that, as well as being open-minded to new ideas, we should also be **open-minded** about how far-reaching our next steps will be.

Of course what we want to do is to find a path towards the conclusion of the Round. It may be that it can be done in one step — or we may need more than one step. Again, that is something that we will have to discuss.

And the conversation has started. I addressed the Trade Negotiating Committee of the WTO last week to outline the tasks ahead of us. Over 30 delegations took the floor in response — and I was very pleased with the positive, constructive and purposeful tone.

Over the coming weeks the Chairs of the Negotiating Groups will meet with members to discuss issues that we may be able to take forward – using the parameters that I just mentioned as a guide for discussions.

REGIONAL & BILATERAL DEALS

Of course, a further issue on the trade agenda at present is that of other trade initiatives, whether plurilateral, regional and bilateral.

The EU is involved in a number of such initiatives. Over recent years the EU has:

- signed a series of bilateral agreements...
- entered into negotiations with the US on the TTIP...
- and been an active participant in plurilaterals such as the Trade in Services Agreement and the expansion of the Information Technology Agreement.

So before I conclude let me just say a word on this topic.

My view is that these initiatives are positive and are to be welcomed – but they can only ever be one part of the wider picture.

Agreements such as this cannot be sufficient on their own to ensure globalizable gains. In fact, the proliferation of regulations and standards tends to multiply costs rather than reduce them.

As we all know, the multilateral trading system was never the only option for international trade negotiations.

It has always co-existed with, and benefitted from, other initiatives. They are not mutually exclusive alternatives.

After-all, the EU itself is one such initiative – and clearly it is one which bolsters the multilateral system, rather than detracting from it.

I think it is true that WTO disciplines need to evolve to reduce the gap that will exist between multilateral regulations and the new generation of regulations negotiated outside Geneva.

The two processes must move forward together to reduce costs effectively and to curb protectionism. Otherwise, we could see results that are exactly the opposite of what we are seeking.

In addition, many of the deals that are currently being discussed ignore the most important and dynamic frontier of international trade: the big emerging players. This is one of the central facets of the evolution currently taking place in global trade and global governance mechanisms.

Nor should we forget that the poorest economies are usually excluded from the negotiating table when bilateral or plurilateral agreements are negotiated.

Finally, the multilateral trading system assumes even more critical importance given the fragility of growth in the global economy. We have already seen that economic conditions have generated protectionist pressures in some areas.

The multilateral system has a unique role in responding to these challenges – another reason why we must ensure that it goes from strength to strength.

CONCLUSION

In closing, Bali represents not just a huge achievement for all of us – but also a huge opportunity.

There is real political momentum and we must build on it.

The work has only just begun.

2014 should be the year that we implement our first negotiated outcomes – and the year that the Doha Round is put back on track.

It will not be easy, but it is achievable.

We all have a role to play – and so we will need your help.

Thank you for listening – I look forward to our discussion.