

## OVERVIEW OF THE 13TH MINISTERIAL CONFERENCE OF THE WORLD TRADE ORGANIZATION

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*(Views expressed in the brief are those of the author, and do not represent those of ISSI)*



### Background:

The 13<sup>th</sup> Ministerial Conference (MC13) of the World Trade Organization (WTO) convened from February 26 to March 2, 2024, in Abu Dhabi, United Arab Emirates (UAE). Representatives from around the globe assembled to assess the efficacy of the multilateral trading system and to strategize on the future endeavours of the WTO. This pivotal gathering was overseen by H.E. Dr Thani bin Ahmed Al Zeyoudi, the Minister of State for Foreign Trade of the UAE. The former caretaker Minister for Commerce, Industry and Investment, Dr. Gohar Ejaz, led the Pakistan delegation at the conference. Serving as the singular global entity dedicated to regulating trade norms among nations, the WTO operates on the foundation of agreements collectively negotiated and endorsed by the majority of the world's trading nations, subsequently ratified within their respective legislative bodies. The organization's primary objective is to facilitate the seamless conduct of business for producers, exporters, and importers of goods and services.<sup>1</sup>

<sup>1</sup> "13<sup>th</sup> WTO Ministerial Conference," WTO, Accessed on March 18, 2024, [https://www.wto.org/english/thewto\\_e/minist\\_e/mc13\\_e/mc13\\_e.htm](https://www.wto.org/english/thewto_e/minist_e/mc13_e/mc13_e.htm)

**Agenda Items for MC13:<sup>2</sup>**

- Reform of the WTO's dispute settlement function.
- Elimination of fisheries subsidies that encourage overfishing and overcapacity, to complement the multilateral Agreement on Fisheries Subsidies adopted at MC12.
- Integration of the plurilateral Investment Facilitation Agreement into the WTO legal architecture.
- Extension of the e-commerce moratorium.

**Major Highlights of MC13 Proceedings:**

On the first day of MC13, Ngozi Okonjo-Iweala, the Director-General of the WTO, emphasized that multilateralism is under attack, stressing the necessity to reform the multilateral trading system and enhance international cooperation. Okonjo-Iweala warned that fragmentation would incur significant costs for the world, affecting both developed and developing countries. She underscored the importance of cooperation and trade, stating that without it, adjustment would be exceedingly challenging for various regions. Valdis Dombrovskis, the European Trade Commissioner, noted that the rules-based global order was being affected by uncertainty and multiple crises. He emphasized that in such a tense geopolitical environment, multilateral organizations like the WTO became significantly more important, rather than less so.<sup>3</sup>

Piyush Goyal, the Indian minister, stated that India would only conclude new agreements during the ministerial conference if the United States (U.S.) ceased obstructing an agreement on a dispute settlement mechanism. The Indian minister highlighted that Washington had brought a WTO dispute settlement process to a standstill in 2019 by blocking the appointment of new judges to the WTO's appeals court after years of resistance. According to the rules of the WTO, new agreements necessitate unanimous agreement among the organization's 164 member states. The U.S. had accused the appellate body of excessively interpreting WTO rules and asserted that judges' rulings should not contradict the national security interests of nations. The U.S. Trade Representative,

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<sup>2</sup> "Preview of the World Trade Organization's 2024 Ministerial Conference," Think Tank European Parliament, February 6, 2024, [https://www.europarl.europa.eu/thinktank/en/document/EPRS\\_ATA\(2024\)757641](https://www.europarl.europa.eu/thinktank/en/document/EPRS_ATA(2024)757641)

<sup>3</sup> Reuters, "WTO meeting seeks modest outcomes, with global trade at 'critical juncture'," Dawn, February 26, 2024, <https://www.dawn.com/news/1817299>

Katherine Tai, was advocating for dispute settlement reform that would establish a fair system without replicating the shortcomings of the previous body at the conference.<sup>4</sup>

WTO negotiators extended talks as they struggled to break a political deadlock after five days of high-level negotiations. It was far from clear whether a consensus could be reached among the WTO's 164 members before the new deadline of late night. Several delegates warned that countries remained far apart as organizers announced a fifth extension. The WTO faced pressure to eke out progress on reform in Abu Dhabi ahead of the U.S. Presidential elections later this year in which Donald Trump is also a candidate again. During the long hours of negotiations there were moments of difficult but rewarding cooperation as ministers overcame intense disagreement, engaged in tough discussions, and found common ground. Divergences remained on curbing subsidies that resulted in overcapacity and overfishing, as well as the issue of public stockholding (PSH) for food security.<sup>5</sup>

### **Outcomes of MC13:**

Despite intense negotiations over five days, MC13 ended without consensus on some of the key issues. The outcomes of the conference are as follows:<sup>6</sup>

- WTO Members agreed to renew the e-commerce moratorium until MC14, maintaining duty-free trade in online services, including apps, games, and software, as well as digitally transmitted content such as music, video, and other digital files.
- New rules to facilitate and simplify trade in services entered into force, providing businesses with clear, predictable, and effective authorization procedures in more than 71 markets.
- A deal to facilitate investment and support development was finalized by 123 WTO Members with this new Agreement on Investment Facilitation for Development (IFD) aimed to harness the economic potential of foreign direct investment to boost development in poorer countries.

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<sup>4</sup> AFP, "India says no new deals at WTO without key US concession," Dawn, February 28, 2024, <https://www.dawn.com/news/1817810>

<sup>5</sup> Reuters, "Deadlocked WTO talks drag on with no breakthrough," Dawn, March 2, 2024, <https://www.dawn.com/news/1818466>

<sup>6</sup> "Press Release: EU secures results at WTO Ministerial but important work remains to reform global trade rulebook," European Commission, March 1, 2024, [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_1294](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_1294)

- Significant progress was made on the contribution of trade to environmental sustainability, advancing efforts to tackle plastics pollution, phase out fossil fuels, and promote the circular economy, among other initiatives.
- A handful of WTO members blocked a comprehensive agreement on global fisheries subsidies.
- There was no agreement to launch deliberations on key trade challenges (Trade and Industrial Policy, Policy Space for Industrialization, Trade and Environment).
- The WTO Members could not agree on advancing agriculture reform.
- WTO members recognized the progress made and reaffirmed their commitment to finding an agreement to restore a fully functioning dispute settlement system by the end of 2024.

### Conclusion:

WTO ministerial conference in Abu Dhabi failed to resolve any issues of significance, raising the inescapable question of whether the global trade body has a future. Despite cautious optimism expressed by observers and delegates, MC13 ended without resolving several ongoing negotiations. Despite extending the negotiation period, promising deals on fisheries and agriculture were left unresolved as delegations departed Abu Dhabi. Furthermore, efforts on dispute settlement resulted in disappointing outcomes. Although some progress was made, such as the extension of the e-commerce moratorium, the persistent challenges faced during negotiations underscore the inherent dysfunction in recent WTO proceedings.<sup>7</sup>

The outcomes of the ministerial conference in Abu Dhabi underscored the deep divisions among the WTO's 164 members amid mounting geopolitical tensions and economic challenges that threaten global trade. A notable concern arising from the conference was the recurring issue of certain countries, or even just one, wielding disproportionate influence and impeding negotiations. This capacity for one member to disrupt the system is increasingly unsustainable within the WTO and threatens to obstruct meaningful progress in future talks.<sup>8</sup>

The WTO's persistent failure to establish new rules has sparked significant discussion about its relevance, prompting various proposals to revitalize its rule-making and dispute settlement

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<sup>7</sup> Dr Emily Jones, "The World Trade Organization should reorient from rule-making to dialogue," Chatham House, March 8, 2024, <https://www.chathamhouse.org/2024/03/world-trade-organization-should-reorient-rule-making-dialogue>

<sup>8</sup> AFP, "WTO talks end with no major win," Dawn, March 3, 2024, <https://www.dawn.com/news/1818687>

mechanisms. With the next WTO ministerial scheduled for 2026, it remains uncertain whether substantial progress will be achieved by then. Nevertheless, WTO members could explore alternative approaches to fostering cooperation, including innovative solutions to dispute resolution and ongoing efforts towards plurilateral initiatives.