

SPEAKING POINTS FOR DDG AGAH

MINISTERIAL MEETING OF LANDLOCKED DEVELOPING COUNTRIES ON TRADE AND TRANSPORT

16-17 May 2018; ASTANA, KAZAKHSTAN

Good morning, ladies and gentlemen,

I am honoured to speak to you again today; and to provide a briefing on developments in the trade arena after the 11th WTO Ministerial Conference and on the WTO Trade Facilitation Agreement.

Although it has only been a few months since the Ministerial Conference (MC11), a lot has happened in the world of international trade. So, I believe that this session is very timely. I will try, therefore, to highlight some of those developments that I think are of significant interest to you.

Rapid progress is also being made in the area of Trade Facilitation; and I will also provide you with an update on the state of play of the WTO Trade Facilitation Agreement (TFA).

WTO'S MINISTERIAL CONFERENCE

Starting with MC11. There was a very good level of engagement before and during MC11, resulting in important progress in some areas of multilateral trade negotiations such as fisheries subsidies, in the area of intellectual property, and an extension for 2 years of the exception of electronic transmissions from customs duties.

However, in most areas, despite serious effort from all Members, substantive outcomes were not possible, including the two key areas of public stockholding for food security purposes and domestic support in agriculture. In the conclusion of the conference, the Chair expressed disappointment over the lack of progress, and committed to move the negotiations forward, not only on these issues, but also on several others, such as non-agricultural market access, services, development, TRIPS, rules, and trade and environment.

During MC11, some large groups of members came together to advance issues of interest to them and to the global economy – in particular in the areas of electronic commerce; investment facilitation; barriers to trade that are a significant burden for MSMEs; and on Women and Trade. The proponent groups, each encompassing participants from developed, developing and least-developed countries, unveiled their plans to move forward. I will provide a brief update on each of these areas.

E-COMMERCE

Starting with E-Commerce.

At MC11, 71 WTO Members issued a Joint Declaration on E-Commerce indicating their intent to initiate the exploratory work necessary for a possible launch of WTO negotiations on trade-related aspects of electronic commerce in the future. This group has already met twice this year.

MSMEs

At MC11, the Friends of MSMEs issued a Joint Ministerial Statement establishing an Informal Working Group to explore how challenges faced by MSMEs could be addressed in a cohesive way within the WTO context. Since then, they have developed a Road Map of thematic sessions to be held this year.

One session on Access to Information for MSMEs has already taken place. Forthcoming sessions will cover: access to finance; reduction of trade costs; how technical assistance and capacity building initiatives could better support the needs and challenges of MSMEs; and the Internet as a tool to reach global markets. These exploratory sessions aim to identify a set of measures that Members could take, in order to strengthen the participation of MSMEs in global trade.

INVESTMENT

At MC 11, 70 WTO Members also issued a Joint Ministerial Statement on Investment Facilitation for Development, which calls for launching structured discussions with the aim of developing a multilateral framework. The initiative has a focus on 'facilitating' investment, rather than 'protecting' investment. The initial proponents of this initiative were developing countries, although developed economies have now joined as well.

WOMEN'S ECONOMIC EMPOWERMENT IN THE WTO

Supporting the participation of women in international trade is a key component of the inclusive trade solutions that many governments are now adopting. The Buenos Aires Declaration on Trade and Women's Economic Empowerment, signed by 121 WTO Members and Observers, seeks to ensure that the WTO works to make trade more inclusive; and increases the participation of women in trade.

The signatories have agreed to find ways to best tackle barriers to trade faced by women; to better understand the links between trade and women's empowerment through dedicated events, exchange of information; and to collect relevant economic data.

Many Members have already developed national strategies and development programmes, including gender equality goals and women's empowerment priorities. One major objective is to increase women's participation into the workforce.

All four of these areas that I have just mentioned are being driven by a group of like-minded Members – not by the full WTO membership – although all Members are being encouraged to participate.

Despite the fact that these initiatives are not currently supported by all members, it is important to keep the discussions in the WTO so that everyone can have the opportunity to actively participate in shaping these conversations right from the beginning.

And let me be clear about two points:

First, at this point, members are only discussing these issues - not negotiating. If you sit down to simply discuss and better understand an issue, you are not making a commitment to anything more than that. There is no commitment to start negotiations.

Second, simply because these discussions are underway does not mean abandoning issues that are already on the table and that need to see progress. That is to say, work on the Doha issues has not been set aside.

TRADE FACILITATION

LLDCs did not have any particular issue in MC11, however, they espoused a general interest in the health of the Multilateral trading system and the well-functioning of the WTO. There is also, naturally, a lot of focus on the issue of trade facilitation.

Work on implementing the WTO Trade Facilitation Agreement (TFA), is now in full swing following its entry into force in February 2017. Since the date of entry into force, ratifications have continued steadily. As of today, 136 Members have ratified the TFA, this is around 83 % of the membership.

Progress has also been made in notifications.

As of now, 112 developing and least-developed Members, including 24 LLDCs, have notified the provisions they are currently implementing – the so-called Category A commitments. Sixty-two Members, including 16 LLDCs, have also indicated which provisions require additional time to be implemented - the Category B commitments.

52 Members, including 15 LLDCs, notified the provisions for which they need capacity building support – the Category C commitments.

Based on these notifications, the provisions that currently have the highest rate of implementation in developing and least developed countries are: 1) movement of goods between national customs offices within a territory; 2) the **non**-use of pre-shipment inspection for customs procedures; 3) and the requirement to notify the importer when his goods are being detained.

The provisions that currently have the lowest implementation rate in developing and LDCs are: 1) single window; 2) authorised operators; and 3) the provision allowing importers the possibility of having a second test for their goods, if the first test has an adverse finding.

Article 11- the provision on freedom of transit- currently has an overall implementation rate of 56% in the commitments by developing countries and LDCs. However, looking only at the statistics from LLDC notifications, the rate of implementation in LLDCs is about 40%.

The overall rate of implementation of the TFA around the world, including developed countries who must already be implementing the entire Agreement, is currently almost 60 per cent.

WTO TF COMMITTEE

Work in the WTO Trade Facilitation Committee is also progressing well. A meeting held at the beginning of this month had a very good, cooperative atmosphere. Some 44 notifications had been received since the last committee meeting in November, and these were acknowledged. Many members shared their experiences in their national trade facilitation committees, in the areas of transit, donor support and overall national implementation experience.

Some key points that arose from this meeting are:

First, it is crucial to have a well-functioning national trade facilitation committee to oversee implementation.

Second, a great deal of assistance is available to support implementation.

Third, providing specific information on your assistance and capacity building needs is very helpful to attract donors.

Last, the WTO Trade Facilitation Committee can be a very useful forum to raise issues and exchange information with other members.

The next TF Committee meeting is scheduled for October 9 this year. The WTO Trade Facilitation Agreement Facility plans to fund the participation of capital-based officials for this meeting. And they will organize side events, including one concerning issues related to transit.

In addition, the WTO Trade Facilitation Facility is also working with OHRLLS and other agencies to explore ways to assist developing countries, in particular the LLDCs and transit countries, in the implementation of the TFA. One idea that has been discussed is regional workshops on border agency cooperation. This is an issue where significant challenges remain; and all need to help LLDCs to not only improve the flow of goods through the borders, but also where the return on investment should be quite high.

CONCLUSION

In closing, I would like to take the opportunity to address some current events. We have all seen the recent headlines about the rising trade tensions brought about by the imposition, or threat of imposition of trade restrictive measures and counter-measures. This could have grave consequences for global trade, which was only recently showing signs of recovery, as well as for jobs and GDP growth that would harm us all. And the potential systemic consequences could be even more serious.

This is of real concern. The risk of escalation is very clear.

The Director-General is talking to all sides, in order to resolve this situation. We all need to work together to step back from the brink. Instead of escalating tensions, we need to find ways to resolve them constructively.

For this reason, more than ever, we need to keep strengthening the multilateral trading system. We must ensure that the system is robust, and that it is responsive to its members' needs and priorities. Also, in a system with 164 members of different sizes, different priorities and at different stages of development, the only way to advance is by being flexible. So strength and flexibility are essential ingredients to keep the system working for all.

Transparency and predictability in trade policy also remain vital for all actors in the global economy. Collectively, WTO Members must show leadership in reiterating their commitment to an open and mutually beneficial trading system, as a key driver of economic growth; and a major engine for prosperity. And most importantly, we need the system to promote global economic cooperation, especially in these testing times.

This is all that I have to say, in order to get our conversation started. I will be glad to hear your comments and points of view. I will, of course, also try to answer any questions that you may have.

Thank you.