

The 9th WTO Ministerial Conference: A victory for the WTO but what next?

Working Paper No. 45

University of Warwick

Dr Megan Dee¹



Introduction	2
Background	3
MC9 negotiation issues	5
The WTO's Bali Package	10
Challenges and Opportunities for the Doha Development Agenda	13
The role of the European Union post-Bali	16
Conclusion and Recommendations	19
References	21

For citation:

Dee, M. 'The 9th WTO Ministerial Conference: A victory for the WTO but what next?", GR:EEN Working Paper Series, No. 45, 18 December 2013.

1

This research acknowledges the support of the FP7 large-scale integrated research project GR:EEN - Global Re-ordering: Evolution through European Networks
European Commission Project Number: 266809

¹ Megan Dee is GR:EEN Postdoctoral Research Fellow in the Centre for the Study of Globalisation and Regionalisation at the University of Warwick. Email: m.dee@warwick.ac.uk, Web: www.greenfp7.eu

Introduction

The World Trade Organisation (WTO)'s 9th Ministerial Conference (MC9) took place in Bali, Indonesia from 3rd to 7th December 2013. Widely believed to be a decisive moment both for the future of the WTO and for the flailing Doha Development Agenda, the fraught five-day long negotiations were to culminate in the first global trade deal to be agreed in the eighteen year history of the WTO, resulting in what will be an estimated \$1 trillion injection into the global economy.

The Bali Package, adopted by consensus amongst the WTO's 159 members early on the morning of Saturday 7th December 2013, signifies a much-needed victory for the WTO. With the ongoing ramifications of the 2008/09 global economic crisis, a resurgence of bilateral and regional trade negotiations, concerns over rising protectionism, and the lengthy delays in bringing about a much-needed conclusion for the WTO's Doha Development Agenda, the efficacy of the WTO to implement, monitor and enforce the rules of multilateral trade has increasingly been brought into question. The Bali Package thus signifies a landmark achievement for the WTO as a negotiation forum.

Despite this, the Bali Package does also represent a substantially limited deal relative to its parent, the Doha Development Agenda, first agreed by the WTO's membership at MC4 in Doha, Qatar in November 2001. Whilst the Bali Package may therefore be taken as a victory for multilateralism and the WTO, it must also be understood within the wider context of the 'Doha Round', with questions now asked of what comes next for the WTO and multilateral trade negotiations.

In this paper the details of the Bali negotiations and its outcome agreement are outlined. Focusing moreover on MC9 within the wider context of the WTO's negotiation history, this paper shall address the impasse of the Doha Development Agenda, the opportunities that the Round's conclusion could present, and what could come next both for the WTO's post-Bali work programme and the role of the European Union (EU) in that process.

The main arguments made in this paper are as follows:

- 1. In addressing the question of 'what next' for the WTO, negotiators must now utilise the impetus generated by the victory at Bali to conclude the Doha Round.
- 2. Concluding the Doha Round is best achieved through a return to the single undertaking.
- 3. The EU must now re-engage with the Doha Round negotiations and take on a more active and deliberate role in tackling the post-Bali Work Programme.

Background

The WTO and the Doha Round

The World Trade Organisation (WTO) was established in 1995 following the successful conclusion of the Uruguay Round of multilateral trade negotiations (1986-1994), conducted under the General Agreement on Tariffs and Trade (GATT). Born out of the GATT, the WTO was created as the first international institution intended to establish, monitor, and enforce the rules of trade between nations at the global level and to operate as the flagship institution of the Multilateral Trading System. The functions of the WTO are principally threefold. First, the WTO is a forum for multilateral trade negotiations or trade 'rounds'. The WTO is thus intended to fulfil the function of a global trade legislator, facilitating multilateral negotiation between its members, and establishing the rules dictating global trading practices. Second, the WTO is a global trading monitor, providing a rigorous review process for member's trading policies and practices and ensuring the implementation of multilaterally-agreed trade rules. Third, the WTO also settles trade disputes between its members through a sophisticated dispute settlement mechanism.

Within the WTO, biennial Ministerial Conferences are the topmost decision-making body, providing important milestones in determining the trajectory, and eventual outcome, of its multilateral trade negotiations. Since the 1st WTO Ministerial Conference in Singapore in 1996, the WTO has witnessed numerous highs and lows in its negotiation history. A prominent low was first witnessed in Seattle in 1999 at the WTO's third Ministerial Conference where the WTO was to become the target of mass anti-globalisation protests and an ensuing media frenzy, corresponding with a failure to launch a new 'Millennium Round' of trade negotiations (Bhagwati: 2001). At MC4 in Doha in 2001 the WTO was however to substantially boost its image by launching a new trade round of trade negotiations, the Doha Development Agenda, aimed at addressing not only a broadening trade agenda, but which also included a crucial development focus in ensuring that global trade would benefit the world's poorest.

Since the launch of the Doha Development Agenda the WTO's Ministerial Conferences have however been marked mostly for their inaction, reflected in the following negotiation timeline.

Table 1: The WTO's negotiation timeline: From Doha to Bali 2001-2013

Year	Negotiation	Negotiation Information
		Doha Development Agenda is launched, the first round of multilateral trade
2001	MC4: Doha	negotiations by the WTO. China accedes to the WTO.
		Negotiations intended as a stock-taking exercise for the Doha Round's mid-
		term review.
	MC5:	The G-20 Group is formed.
2003	Cancun	Conference ends with no consensus
		Intended as the year that the Doha Development Agenda is concluded.
	General	A framework for negotiations is agreed with the intention of concluding
2004	Council	the Round in 2005

		No conclusion but conference aimed at breaking deadlock and narrowing consensus towards modalities for negotiation. Some agreement over LDC
		issues including Aid for Trade and Duty-Free Quota Free access
	MC6: Hong	Some narrowing of positions with the intention of concluding the Round
2005	Kong	in 2006
		No conclusion with negotiators still trying to find agreement over agriculture
2006	General	and industrial goods.
2006	Council	Ends in the suspension of the Doha Round on 23rd July 2006
		Negotiations reopen in 2007 culminating in a July 2008 mini-ministerial.
		Negotiators come close to consensus for the Round's completion but are stalled
		at the last over disagreement, notably led by India, on the Special Safeguard Mechanism (SSM) in agriculture.
	General	Some narrowing of positions leads to a further framework for
2008	Council	negotiations agreed by December but no substantive breakthroughs.
2000	Council	negotiations agreed by December but no substantive breaktinoughs.
		Doha negotiations at an impasse. Discussions concentrate on the theme of
		"The WTO, the Multilateral Trading System and the Current Global Economic
	MC7:	Environment" in light of the global recession.
2009	Geneva	No significant breakthroughs for the Doha Round
		Calls by world leaders over 2010 for the Round's conclusion fail to be met.
		Negotiations focus upon finding ways through impasse by considering
		alternatives to the single undertaking and recommit efforts to bring the Round
		to a conclusion. Russia accedes to the WTO.
		No substantive breakthroughs but agreement to explore 'early harvest'
	MC8:	for some aspects of the Doha negotiations including on trade facilitation
2011	Geneva	for developing countries.
		Intended to deliver a 'Doha Lite' package addressing trade facilitation, some
		Agricultural Components, and LDC/development issues. Dominated by the
		issue of food security and disagreements between the United States and India.
		Bali Package approved on 7th December 2013 signifying the first global
•	3.500	trade deal approved by the WTO's members in 18 years. Post-Bali Work
2013	MC9: Bali	Programme for the remainder of the Doha Round agreed.

Source: Author's own compilation

As Table 1 above demonstrates, despite being originally scheduled to last no more than three years, the Doha Round negotiations have now entered their thirteenth year; having been impacted by numerous set-backs including members' inability to find consensus on the 'modalities' or formula for negotiation, the Round's suspension and eventual impasse.

From Doha to 'Doha Lite'

Since 2008 the WTO's Doha Round has been in a condition of stalemate. Despite coming close to an agreement, the July 2008 'mini-ministerial' was to end without consensus. Whilst some breakthrough was achieved in December 2008 towards draft 'modalities' for concluding the Round, no further progress was made in the negotiations leading up to MC8 in 2011. At MC8, held in Geneva, the Round was subsequently announced to formally be in a state of impasse (WTO: 2011). Following MC8 negotiators had agreed that a new means of bringing about an agreement was needed by concentrating upon a less ambitious 'Doha Lite' deal that focused upon options for an 'early harvest' (Bridges Weekly: 2011). By December 2012, WTO members had agreed to a set of deliverables to be achieved by MC9 in Bali in 2013, including

trade facilitation, some agricultural components, and Least-Developed Country (LDC) issues (Bridges Weekly: 2012a).

Preparing for Bali: A new WTO Director General and an improved impetus for action

With MC9 scheduled to take place in December, negotiations steadily built momentum over the course of 2013 for a 'Doha Lite' agreement to be reached. Further impetus for action was added in September 2013 upon the appointment of new WTO Director General, Brazil's Roberto Azevêdo. Roberto Azevêdo's appointment was notable for several reasons. First, he was only the second Director General in the GATT/WTO's history to hail from a developing country, and the first from a Latin American country. Second, formally Brazil's Permanent Representative to the WTO, Azevêdo began his post as the WTO's Director General already fully briefed on the nuances and complexities of the Doha Round, and holding excellent diplomatic relations with many of the main players, not least the other emerging economies (see also Dee: 2013). Third, as a diplomat, Azevêdo has a proven track-record as a credible and effective negotiator and consensus-builder (The Telegraph: 2013), and has championed the Multilateral Trading System (i.e. Blustein: 2009: 170-171). His appointment to office was therefore to provide an important opportunity and incentive for kick-starting the stagnating Doha Round negotiations in order to achieve a result at MC9.

Upon taking up office in September 2013, Azevêdo immediately set to work in generating the necessary momentum for a deal to be reached at Bali (WTO: 2013a); consistently pushing from September to December for negotiators in Geneva to agree a draft text prior to MC9 in order that it might be approved at the conference (i.e. WTO: 2013b) – a position that was subsequently supported by a majority of WTO members (WTO: 2013c)².

Despite that momentum, negotiators in Geneva nevertheless failed to deliver a draft text prior to the Ministerial (WTO: 2013d). MC9 thus began on Tuesday 3rd December 2013 with no agreed negotiation text and with substantially lowered expectations that a deal could be reached at all (Bridges Daily Update: 2013a, Financial Times: 2013a).

MC9 negotiation issues

Approaching Bali, negotiations had focused upon three core components, drawn from the wider Doha Round negotiations. These included trade facilitation, aimed at easing customs procedures and cutting red-tape at the border to speed up trade flow; some agricultural components, addressing issues such as export subsidies and on easing administrative procedures affecting farm exports; and development issues, including rules of origin, and Duty-Free,

² In a joint press statement issued prior to the Bali Ministerial meeting, Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Hong Kong China, Iceland, Liechtenstein, Mexico, New Zealand, Norway, Panama, Paraguay, Peru, Republic of Korea, The Russian Federation, Switzerland, Uruguay, as well as ASEAN, the ACP, the African group, the LDC group and the Arab Group stated, "We support any effort necessary to achieve a positive outcome at the Bali Ministerial on a package of trade facilitation, agriculture and development and Least Developed Country issues. We fully support further efforts by the Director-General, recognizing how close we are to success, and recognizing that Bali is a pivotal moment for the future of the negotiating arm of the multilateral trading system." (WTO: 2013c)

Quota-Free (DFQF) market access for LDCs. These negotiation issues are elaborated further below.

Trade Facilitation

Trade facilitation formed the centrepiece of MC9's negotiations which were aimed at cutting 'red tape' and streamlining customs and port procedures in order to improve trade flow, estimated to boost the global economy by an estimated \$1trillion (Hufbauer & Schott: 2013: 7, Financial Times: 2013b). Administrative barriers have been widely acknowledged to act as a major stumbling block to the free movement of goods across borders; deterring small and medium-sized enterprises (SMEs) from trading internationally, and impairing the export competitiveness of many developing countries³. As Hufbauer & Schott (2013: 11) state:

"Potential economic gains from trade facilitation are no secret. Reducing trade transaction costs (TTC) and moving goods around the world quickly and cheaply translates into more trade and higher incomes."

Subsequently, the trade facilitation negotiations focused upon the specific commitments that countries would take to improve their customs procedures, such as enhanced transparency, standardising document requirements and trade-related fees, and streamlining existing border procedures to eliminate inefficiencies (Bridges Negotiation Briefing: 2013: 5).

The revised draft Agreement on Trade Facilitation, circulated to Conference delegates on Friday 6th December 2013, specifically included two <u>sections</u>. In Section I thirteen articles were outlined dealing with such issues as ensuring the prompt publication and availability of Members import, export and transit procedures, applied rates of duties, fees and charges, their restrictions, prohibitions and penalties, as well as appeal procedures (with requirements that Members not only ensure the prompt publication of all customs information, but ensure its availability online and through the appointment of specified enquiry points). The draft agreement further stipulated measures to enhance transparency, non-discrimination and impartiality, dealing with advance rulings, setting disciplines on fees and charges, detailing appeal or review procedures, addressing formalities relating to importation and exportation in transit, the freedom of transit and customs cooperation.

Section II of the draft agreement further addressed the principle of Special and Differential Treatment (SDT) to be applied in the implementation of trade facilitation measures. In particular the draft agreement stipulated that, "Assistance and support for capacity building should be provided to help developing and least-developed country Members implement the provisions of this agreement", and further included a clarification over the category of provisions for developing and least-developing countries, and outlining the provision of assistance for capacity building in LDCs.

This research acknowledges the support of the FP7 large-scale integrated research project **GR:EEN -** *Global Re-ordering: Evolution through European Networks* European Commission Project Number: 266809

³ According to UNCTAD the average customs transaction involves 20–30 different parties, 40 documents, 200 data elements (30 of which are repeated at least 30 times) and the re-keying of 60–70 per cent of all data at least once, often resulting in the costs of customs formalities exceeding the costs of duties paid. For more information see http://www.wto.org/english/thewto-e/minist-e/mc9 e/brief tradfa e.htm

Agriculture

The agriculture negotiations at MC9 were centred upon four proposals picked from the much larger, more ambitious, draft agriculture modalities text agreed by the WTO membership in <u>December 2008</u>. These included:

Proposed expansion of 'General Services' provision

This proposal addressed an expansion of the 'General Services' provision under Annex Two of the Uruguay Round's Agriculture Agreement for a set of farm subsidy schemes to be included under the WTO's 'Green Box' category⁴. Proposed by the G-33 (Also called "Friends of Special Products") - a coalition of now 46 developing countries pressing for flexibility for developing countries to undertake limited market opening in agriculture – this expansion has been called for in addressing General Services programmes related to land reform and rural livelihood security specifically. In particular, these included land rehabilitation, soil conservation and resource management, drought management and flood control, rural employment programmes, issuing land ownership titles and settlement programmes. Seen to be the least controversial of the four agriculture proposals (Bridges Negotiation Briefing: 2013: 8), the draft Ministerial Decision on General Services circulated to MC9 delegates on Friday 6th December 2013 agreed to the expansion of the 'General Services' provision to address, "programmes related to land reform and rural livelihood security... in order to promote rural development and poverty alleviation."

Easing farm import quotas

Negotiations further concentrated on <u>trade tariff administration</u> and how a specific type of import quota (a "tariff quota" where volumes inside the quota have a lower duty) should be handled when the quota is persistently under-filled. The G-20 (Coalition of developing countries pressing for ambitious reforms of agriculture in developed countries with some flexibility for developing countries⁵) has led the way in this proposal by calling for developed countries to make it easier for farm exporters to access their markets in those cases where import quotas are regularly under-filled (Bridges Weekly: 2012b). A particular sticking point in these negotiations however has been the stance of the United States who has argued that large developing countries, such as China, need to take similar commitments (Bridges Negotiation Briefing: 2013: 8). China has however persistently made the case that it would not be able to accept such commitments. Negotiators have thus concentrated on a consensus deal that would see the United States exempted from changes to the rules in this area.

Ending export subsidies

The third agriculture issue under negotiation at MC9 was the issue of agricultural export subsidies and the deal, struck at MC6 in Hong Kong in 2005, in which developed countries committed to eliminate their use by 2013. The Cairns Group (Coalition of agricultural exporting nations lobbying for agricultural trade liberalization) had called for WTO members to

This research acknowledges the support of the FP7 large-scale integrated research project GR:EEN - Global Re-ordering: Evolution through European Networks
European Commission Project Number: 266809

⁴ The Green Box category allows domestic support for agriculture without limits because it does not distort trade, or at most causes minimal distortion. Under the Uruguay Round Agreement on Agriculture (Annex II) domestic support programmes categorised as 'General Services' were classified as 'Green Box' but did not include government support programmes specific to developing countries i.e. addressing land reform or rural livelihoods. ⁵ Includes Argentina, Bolivia, Brazil, Chile, China, Cuba, Ecuador, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, Zimbabwe

now recognise their commitment (Bridges Weekly: 2012c), but the EU and United States have argued that the deal struck at Hong Kong had been conditional upon progress being made in other sectors of the Doha talks (Bridges Weekly: 2012c). Negotiations have thus centred upon a <u>draft text</u> in which a strong statement would be made urging countries to make progress towards the elimination of their export subsidies, the "exercise of utmost restraint with regard to any recourse to all forms of export subsidies and all export measures", and a commitment to "work actively for further concrete progress in this area as early as feasible" in an effort to fulfil the commitments laid out in 2005.

A 'Peace Clause' on food stockholding

By far the most controversial issue under negotiation at MC9 was the issue of public stockholding for food security. Widely reported to be *the* major bone of contention blocking progress in the run up to Bali (i.e. Financial Times: 2013a, Bridges Daily Update: 2013a, The Economic Times: 2013), MC9 was to commence with Indian Commerce and Industry Minister, Shri Anand Sharma, stating that, "Food security is non-negotiable" (WTO: 2013e: 3), raising serious concerns that the issue could 'make or break' a Bali deal (Bridges Daily Update: 2013b).

Underpinning these negotiations have been concerns, raised most notably by the United States, that subsidised food stock purchases, such as those endorsed under India's controversial new National Food Security Act, are trade-distorting, furthering opening up the risk that the Indian Government could be challenged under the WTO's Dispute Settlement Mechanism. A proposal by the G-33, led by India, had however, called for new rules on public stockholding for food security purposes and on domestic food aid, in which food purchased at administered prices for the purposes of food security could be included under the WTO's 'Green Box' (Bridges Weekly: 2013a). In an effort to find a compromise between the positions of the United States and India, a 'Peace Clause' had been outlined in the lead-up to Bali which would commit WTO members to refrain from bringing legal challenges against countries with food stockholding programmes for an interim period until a permanent solution could be reached.

Cotton

A related, intersecting item between agriculture and development under negotiation at MC9 was that of cotton. A controversial issue under the Doha Development Agenda, cotton first became an negotiation hot topic at the Cancun Ministerial Conference in 2003 when Benin, Burkina Faso, Chad and Mali – referred to as the 'Cotton-4' - first joined together in calling for fairer multilateral trading in the commodity; calling on the United States and other developed countries to eliminate their subsidy schemes which had set the price of cotton artificially low. At MC6 in Hong Kong in 2005, WTO members agreed to make "an explicit decision" on cotton, to include Duty-Free Quota-Free Access, and export subsidy elimination, to be agreed "ambitiously, expeditiously and specifically". With negotiations stalled and no decision taken, in October 2013 the Cotton-4 again raised this issue, with a proposal requesting that cotton imports from LDCs should be granted Duty-Free, Quota-Free access from 2015, and again calling for the elimination of all export subsidies on the commodity to be agreed at MC9.

Development

The third component of the MC9 negotiations was development and LDC issues. On 20th April 2012 the WTO's LDC group (a coalition of the WTO's 34 LDC members) submitted an

Unofficial Room Document⁶ to the Sub-Committee on Least-Developed Countries outlining the priority issues they sought for an 'early harvest' of the Doha Development Agenda (see also Bridges Negotiation Briefing: 2013: 10). The priority issues the Group specified included on Special and Differential Treatment (SDT), preferential rules of origin, operationalising the LDC services waiver agreed at MC8 in 2011, duty-free, quota-free (DFQF) market access, and cotton. These issues thus formed the main development issues addressed by WTO members in the lead up to, and during, the Bali Ministerial Conference.

SDT Monitoring Mechanism

A core development principle underlying the Doha Development Agenda is that of 'Special and Differential Treatment' (SDT), whereby special treatment is afforded to developing countries in all WTO agreements, such as, for example, longer periods to phase in obligations, more lenient obligations, measures to increase trading opportunities, implemented safeguards and technical assistance. Since the Doha Round was launched however, little progress has been made in terms of reviewing SDT provisions for LDCs. A proposal first submitted by the African Group in 2002 saw limited progress over the 2000s. In 2011 at MC8 ministers agreed to work towards the establishment of a 'Monitoring Mechanism' in order to monitor and review on a regular basis SDT provisions. Approaching MC9 therefore, negotiations centred upon an agreed draft text that the Monitoring Mechanism would provide, "a focal point within the WTO to analyse and review the implementation of S&D provisions"; further making recommendation to the relevant WTO body for the improvement of SDT provisions or the proposal of further negotiations to that end.

Rules of Origin

Negotiations at Bali further focused upon a draft decision relating to the simplification of preferential Rules of Origin for LDCs. Rules of Origin (RoO) are the criteria used to determine where a product was made. Under such rules, products that are deemed to be made in LDCs would qualify for preferential market access schemes for LDCs. According to LDCs the current preferential RoO are out-dated, unattractive and, due to being set unilaterally, reflect little harmonisation (WTO: 2013f: 4). Citing the move by the EU in 2011 in liberalising its RoO criteria and recognising the special needs of LDCs by differentiating rules of origin applicable to LDC products from those applicable products originating in developing countries, the LDC proposal called for others, particularly the United States and Japan to implement similar reforms. The draft decision at Bali thus outlined the adoption of guidelines requiring preferential RoO and the related documentary requirements to be as transparent and simple as possible, further recognising ways in which origin can be conferred and providing illustrations in which preferential RoO can be made easier to comply with.

Operationalising the LDC services waiver

Another key issue under negotiation at MC9 was how a services waiver for LDCs, agreed as a key outcome from MC8 in 2011, should be operationalised. The waiver agreed in 2011 allowed WTO members to provide preferential treatment to services and services suppliers of LDCs. This waiver decision, however, does not guarantee that members actually grant preferences to LDCs and, since 2011, no request has been made by LDCs to use the waiver and no

This research acknowledges the support of the FP7 large-scale integrated research project **GR:EEN -** *Global Re-ordering: Evolution through European Networks* European Commission Project Number: 266809

⁶ Entitled "Proposal from the LDC Consultative Group concerning the WTO Work Programme for the LDCs'. This was an unpublished document and is therefore unavailable on the WTO's Document Resources website.

preferences have been granted by trading partners (Bridges Negotiation Briefing: 2013: 11). The <u>draft decision</u> put forward for adoption at Bali therefore called for Ministers, "to initiate a process aimed at promoting the expeditious and effective operationalization of the LDC services waiver", and instructing the WTO's Council for Trade in Services (CTS) to periodically review its operationalization and recommend steps for taking it forward. The draft decision further encouraged WTO Members, "to extend preferences to LDCs' services and service suppliers, consistent with the waiver Decision, which have commercial value and promote economic benefits to LDCs."

Duty-Free, Quote-Free Market Access

The final development and least-developed country issue on the agenda at MC9 was that of Duty-Free, Quota-Free (DFQF) market access for LDC goods. At MC6 in Hong Kong in 2005 steps forward had been taken that <u>called</u> for all WTO Members in a position to do so, to implement DFQF market access, "on a lasting basis, for all products originating from all LDCs by 2008". It further stipulated that Members who had difficulty in implementing DFQF, should do so for 97% of all LDC goods whilst taking steps "to progressively achieve compliance with the obligations" incrementally for the remaining goods. Since 2005 however, some developed-countries have still to reach a 97% level. The draft decision thus put forward at Bali made a further call for WTO members to make improvements in implementing the principle of DFQF on all products originating from LDCs, and further stipulating the requirement that all DFQF schemes for LDCs be notified to the WTO in an effort to enhance transparency.

The WTO's Bali Package

In what was seen to be a highly fraught five day long negotiation, extended beyond its scheduled end-date by one day, and teetering close to failure on several occasions, Ministers finally hailed a victory for the WTO on the morning of Saturday 7th December 2013 with agreement over the draft texts circulated the night before.

With negotiations dragging on into the small hours of the Saturday morning, expectations remained low that a deal would be agreed at all (Bridges Daily Update: 2013c). Disagreement between the United States and India over the crux issue of food stockholding continued to present a negotiation block that only reached a consensus in the early hours of Saturday morning. Moreover, in a last minute stand, Cuba, supported by Bolivia, Venezuela and Nicaragua, sought to block agreement over the draft trade facilitation agreement that was aimed at the United States' trade embargo introduced in 1960 (Bridges Daily Update: 2013c). Despite these set-backs, consensus was finally agreed on Saturday morning and at the Conference's closing session Conference Chairman Gita Wirjawan, Indonesia's trade minister, formally announced the agreement.

The <u>Bali Ministerial Declaration</u> forms three parts: Part I – Regular Work Under the General Council, Part II – Doha Development Agenda, and Part III – Post-Bali Work.

Part I- Regular Work Under the General Council

Under this section, decisions were adopted relating to the WTO's regular work including on TRIPs Non-Violation and Situation Complaints, its work programme on electronic commerce, and on small economies, a renewed commitment to Aid for Trade, and calls for renewed work on Trade and Transfer Technology.

In addition it noted the accession of Yemen as the WTO's 160th member (WTO: 2013g). The Yemeni Parliament will now have until June 2014 to ratify the agreement before it formally takes its place as the 35th LDC to have acceded to the organisation.

Part II – Doha Development Agenda

Under this section all three components identified in 2012 as ready for an 'early harvest' under a 'Doha Lite' deal, including on trade facilitation, agriculture and development were agreed. Specifically the Package includes the following:

Trade Facilitation

Key to the Bali Package is the Agreement on Trade Facilitation which represents the largest, legally-binding, reform of the WTO since its establishment in 1995. Under the Agreement WTO Members will commit⁷ to those measures stipulated under the draft text (see previous section) in order to speed up customs procedures; make trade easier, faster and cheaper; provide clarity, efficiency and transparency; reduce bureaucracy and corruption, and use technological advances to facilitate trade. Members also commit to the provision of assistance for developing and least developed countries to update their infrastructure, train customs officials, or for any other cost associated with implementing the agreement.

Agriculture

On agriculture, the Bali Package has also seen some breakthrough, with WTO members finding agreement across all four proposals under negotiation. Draft texts on General Services provision, export subsidies and cotton were adopted without changes (see previous section). On <u>trade tariff quotas</u> Members further agreed on a combination of consultation and providing information when quotas are under-filled, with a commitment to review the operation of the decision within four years. This agreement also sees an exemption for the United States.

Moreover, on the crux issue of <u>food stockholding</u> the Bali Ministerial Declaration adopts a revised draft text, agreed following intense overnight negotiations between India and the United States (Bridges Daily Update: 2013c), in which "Members agree to put in place an interim mechanism... and to negotiate on an agreement for a permanent solution for the issue of public stockholding for food security purposes for adoption by the 11th Ministerial Conference". This agreement thus commits WTO members to negotiate a permanent solution to the issue of food stockholding by 2017. It further provides a 'peace clause' that prevents developing countries, such as India, being challenged under the WTO's Dispute Settlement Mechanism, "in relation to support provided for traditional staple food crops in pursuance of public stockholding programmes for food security purposes existing as of the date of this Decision"

⁷ It is noted that the Trade Facilitation Agreement is not yet enforce but must be checked, correcting where necessary any legal language, with the intention of it being formally adopted by the WTO's General Council by the 31st July 2014.

(WTO: 2013h: pt. 2). Moreover, rather than specifying a set timeframe for the interim period, the declaration states that the Peace Clause shall be in effect "until a permanent solution is found" (WTO: 2013h: pt. 2).

Cotton

On the issue of Cotton, the Bali Ministerial Declaration adopted a <u>draft decision</u> recognising, "with regret", that whilst no agreement had been reached on meeting the commitments set out in the Hong Kong Ministerial Declaration in 2005, members had agreed, "to hold a dedicated discussion on a bi-annual basis in the context of the Committee on Agriculture in Special Session to examine relevant trade-related developments across the three pillars of Market Access, Domestic Support and Export Competition in relation to cotton."

Development and LDC issues

On development issues, all four of the draft decisions agreed prior to Bali were adopted at MC9 without changes. These included on <u>Duty-free</u>, <u>Quota-free</u> access for LDCs to export to richer countries' markets. Whilst many countries have already implemented this, the decision ensures that countries that have not done so for at least 97% of products, "shall seek to" improve the number of products covered. On <u>rules of origin</u> agreement was reached for preferential rules of origin to be "as transparent, simple and objective as possible", making it easier for LDCs to identify products as their own goods, and qualify for preferential treatment in importing countries.

On <u>services</u> the operationalization of an LDC "waiver", first adopted at MC8 in Geneva in 2011, allowing LDCs preferential access to richer countries' services markets was agreed. Finally, a <u>monitoring mechanism</u>, including meetings and other methods for monitoring special treatment given to developing countries, was approved.

Part III – Post-Bali Work

A further important decision taken under the Bali Ministerial Declaration was the agreement that the WTO's Trade Negotiations Committee will now prepare a "clearly defined" work programme over the next 12 months in order to address the remaining Doha Round issues (WTO: 2013i: Part III(1.11)). It further stated that, "Issues in the Bali Package where legally binding outcomes could not be achieved will be prioritised. Work on issues in the package that have not been fully addressed at this Conference will resume in the relevant Committees or Negotiating Groups of the WTO." (WTO: 2013i: Part III(1.11)).

In his <u>closing statement</u>, WTO Director General, Roberto Azevêdo, further highlighted the importance of negotiations post-Bali, stating that: "With the Bali package you have reaffirmed not just your commitment to the WTO – but also to the delivery of the Doha Development Agenda". A critical takeaway from the Bali Package therefore is that it is a 'stepping stone' in the far broader Doha Round negotiations. Whilst it signifies an important victory for the WTO and an achievement in the estimated \$1 trillion contribution it will make to the global economy, it should not be viewed as an end in itself but rather the start of what may be a re-energised multilateral process for global trade rule-making.

Returning to the broader Doha Round negotiations may however prove difficult. As Michael Froman, United States Trade Representative stated after MC9, "There will be difficult issues to

grapple with". With agreement within the Bali Ministerial Declaration that priority is to be given to those issues not fully addressed at MC9, and with a commitment moreover to return to the controversial and divisive issue of food security by MC11 in 2017, it is clear that the next few years will prove particularly fractious for the WTO. In the following section the opportunities and challenges facing the Doha Round negotiations shall be touched upon, and recommendation offered in addressing the broader question of 'what next' for the WTO.

Challenges and Opportunities for the Doha Development Agenda

Whilst the Bali Ministerial Declaration presents a positive, and much needed, commitment by the WTO's membership to conclude the Doha Round, this will nevertheless prove a difficult path to tread. The delays, suspensions and impasse that have marked the Round's now thirteen year history continue to present substantial challenges for the Round now going forward. The tectonic shifts that have occurred in the Multilateral Trading System since the Doha Round was launched in 2001 will certainly continue to have effect. Unlike the days of the GATT and the Uruguay Round, where the EU and United States were pivotal to any agreement being reached and the negotiations being concluded (Devuyst: 1995, Paeman & Bensch: 1995), the WTO is today a multipolar forum where the starkly different trading interests of developed and developing counties are being played out within its top-most circle of major trading powers, including the EU, United States, India, Brazil and China.

The perceptible shift away from multilateralism and towards bilateral and plurilateral trade negotiations will also continue to challenge the WTO; all the more notable in light of recent negotiations between the EU and United States towards a Transatlantic Trade and Investment Partnership (T-TIP), as well as between the United States, Japan and 10 other partners towards a Trans-Pacific Partnership (TPP). Fears of a surge in 'mega-regionalism' are thus seen not only as a diversion away from the Doha Round, but also as a threat to the Multilateral Trading System and the future of the WTO (Bhagwati: 2013, Financial Times: 2013b).

Global economic crisis and the rise of protectionism and increased trade-restrictive measures (Siles-Brügge: 2011, HLTEG: 2011: 19, UNCTD: 2010) also present challenges, with States seeking to protect their national industries and businesses, and with a stagnation in political will in committing to further trade liberalisation (HLTEG: 2011: 7). More than this, WTO negotiators are also faced with the challenge that, since the Doha Round was launched, global trade has itself changed. New trade issues such as currency stability (HLTEG: 2011: 21), competition policy, and Foreign Direct Investment (FDI) have now emerged as critical issues for traders (Lamy: 2013: 184) but which remain virtually unaddressed by the WTO⁸. Issues such as human rights, environmental standards and labour standards are also increasingly of concern to domestic constituencies and are issues which the Doha Round does not address. As such, until the Doha Round is concluded and the WTO can move onto a new work programme, the rules dictating global trade remain those established during successive trade rounds of the

This research acknowledges the support of the FP7 large-scale integrated research project GR:EEN - Global Re-ordering: Evolution through European Networks
European Commission Project Number: 266809

⁸ Due to resistance by the G-20 during the Cancun Ministerial in 2003 the issues of competition and investment, along with government procurement were dropped from the Doha Round agenda. Government procurement has notably continued as a topic of negotiation within the WTO but as a plurilateral rather than multilateral agreement

GATT, representing "a growing gap...between 20th century trade governance and 21st century trade" (HLTEG: 2011: 34).

What is also clear is that whilst the Bali Package was an important victory for the WTO, it is by no means sufficient in meeting the demands of a changing Multilateral Trading System and the interests of its growing Members. Amidst the shouts of success, and claims that 'Doha Delivers' (The Economist: 2013), Bali was in effect more symbolic than substantive in terms of addressing the major challenges of the Multilateral Trading System. Whilst Bali has secured the immediate future of the WTO as a negotiation forum, injecting some much-needed impetus into multilateral trade negotiations in the face of rising bilateral and regional trade agreements, it only goes so far in contributing towards the far broader Doha Round.

The Doha Round, as a whole, nevertheless remains a significant and ambitious global trade deal in the making. It holds enormous benefits for the global economy, should agreement be reached, with estimates suggesting an injection of \$360 billion in new trade⁹ (Bouët & Laborde: 2009), and even wider benefits through the securing of market access (Hoekman, Martin & Mattoo: 2009). Its conclusion therefore is important for its economic benefits alone.

In political terms, concluding the Doha Round is also critical in securing the long-term future of the WTO as the flagship of the Multilateral Trading System and, more generally, of global trade governance. As Jagdish Bhagwati (2013) has claimed, the authority of the WTO in settling trade disputes resides in the fact that it can also make trade rules. If the Doha Round fails then the WTO's credibility and legitimacy as a monitor and enforcer of its members' trading practices starts to come under increasing question¹⁰. The WTO's function as a trading legislator has certainly had a welcome boost through the success of its Bali Package but it must now build on that momentum to harvest the wider Doha Round and bring about a more substantive deal.

Put simply, the Doha Development Agenda must now be concluded, and concluded quickly.

The importance of the single undertaking

Whilst presenting a seemingly insurmountable challenge for WTO negotiators the questions of 'what next' and 'when' for the Doha Round remain critical. Whilst the Bali Package agreed on 7th December 2013 signifies an important breakthrough, particularly specifying the need for negotiators to find agreement on a Work Programme within twelve months, it also demonstrated the problems of an 'early harvest' approach that seeks to pick off parts of the wider Doha Round in order to achieve smaller victories. As Bali itself signified, success for 'Doha-Lite' was by no means guaranteed and it was not until the final moments of MC9 that a consensus deal could be agreed. Reason for this was that, whilst negotiators could all agree to the benefits of a trade facilitation deal, those making concessions in agriculture had little to gain elsewhere in the Bali Package.

⁹ European Commission (2010: 9) figures suggest a Doha deal could result in an increase in world trade by over €300 billion a year and world income by more than €135 billion

¹⁰ Which may, in turn, start to raise significant question over the WTO's role as the 'missing institution' (Bhagwati: 2013: 9) of Bretton Woods international financial institutions established after the Second World War, alongside the IMF and World Bank.

Suggestions that the Doha Round should now continue through smaller plurilateral deals, or the continuance of 'mini'-ministerials such as that seen in Bali (i.e. Bridges Weekly: 2013b) are thus likely to meet with significant problems and on-going delays. In order to keep the major trading powers, not least the EU and United States, at the WTO's negotiation table, the Doha Round must instead return to a single undertaking – whereby nothing is agreed until everything is agreed – in order that they can off-set concessions made in certain sectors (i.e. for the EU in agriculture or the United States in cotton) against gains elsewhere (i.e. by an overall improvement in market access).

The importance of the single undertaking for the Doha Round moving forward is moreover, that it encompasses one of the major benefits of multilateral trade negotiations in the face of rising bilateral and 'mega-regional' preferential trade agreements. Preferential trade agreements, such as those currently being negotiated between the United States and EU, or the Trans-Pacific Partnership, are negotiated on a far narrower set of trade and trade-related issues. In multilateral trade negotiations however a 'multiplier effect' (HLTEG: 2011: 35) is possible because the agenda is broader and negotiators can find a better balance between costs and benefits.

This is especially important with regards to liberalisation of agricultural markets where, the EU, as one of the world's largest protected agricultural markets, has made it clear that it will not accept greater agricultural concessions unless it achieves gains in market access for services, non-agricultural market access (NAMA,) and across the wider Doha agenda in what would be a "comprehensive, ambitious and balanced" negotiated outcome (Council: 2008). Following the outcome of MC9, the EU's Foreign Affairs Council further went onto state that, "Agriculture is a key part of the DDA which can only be addressed within a final outcome encompassing other areas of the DDA mandate" (Council: 2013, emphasis added). As Pascal Lamy (2013: 180), former European Trade Commissioner and WTO Director General, has also commented, "Agriculture is the cornerstone of the [Doha] Round. It is also the one area that is almost impossible to deal with in bilateral or regional negotiations". In order to make any breakthroughs in global trade in agriculture therefore multilateral trade negotiations are the only way forward (see also HLTEG: 2011: 35).

Furthermore, multilateral trade negotiations conducted under a single undertaking are far more likely to benefit developing countries and the world's poorest. The plethora of bilateral preferential trade agreements and the 'spaghetti bowl' of rules of trade between respective parties have made it increasingly difficult for developing countries, particularly LDCs, to navigate the different trading practices and rules and access markets. The Doha Development Agenda is unique in offering what is essentially a 'Round for Free' (HLTEG: 2011: 32) to LDCs, but, where it is agreed under a single undertaking, it would also secure market access and enshrine development principles under the umbrella of the WTO and its Most-Favoured Nation (MFN) principle¹¹ across a far wider array of trade issues.

 $^{^{11}}$ The Most-Favoured Nation Principle is fundamentally a principle of non-discrimination, addressed in the $1^{\rm st}$ article of the GATT. It ensures that if a country improves the benefits that it gives to one trading partner, it has to give the same "best" treatment to all the other WTO members so that they all remain "most-favoured".

The Doha Round must therefore now go forward as a single undertaking if the Multilateral Trading System as a whole is to glean its greater benefits and allow the WTO to move forward.

The role of the European Union post-Bali

Moving forward from Bali, and addressing the challenges of the Doha Development Agenda, will require a substantive amount of energy and engagement by all of the WTO's membership, not least its major power brokers, the EU, United States, India, Brazil and China. As several high-level studies have indicated, "political leadership" is now critical if the Doha Round is to succeed (HLTEG: 2011: 6, Lamy: 2013: 179). Such calls are certainly reiterated here. More specifically though, what role can the EU itself play in the post-Bali work programme and the future of the Doha Round?

The leading status of the EU within the WTO and Multilateral Trading System since the late 1990s has been widely acknowledged (i.e. Young: 2011, 2007, Mortensen: 2009, McCormick: 2007, Bretherton & Vogler: 2006, Baldwin: 2006, Schnabel: 2005, Smith & Woolcock: 1999). As the world's largest trade importer and exporter, accounting for just under one fifth of world trade, and with one of the world's largest internal markets, the EU has been a critical player in the WTO's decision-making processes and has consistently formed part of its core circle of negotiators. Further accredited with helping to establish the WTO in 1995, particularly in pushing for its strengthened dispute settlement mechanism (i.e. Mortensen: 2009: 87, Baldwin: 2006: 933, Ahnild: 2005: 131), the EU has also been recognised for its role as principle demandeur in pushing for the launch of new trade negotiations in the late 1990s and early 2000s (i.e. van den Hoven: 2004, Young: 2011).

Over the late 2000s and early 2010s however the EU's role within the Doha Round has changed (see also Young: 2011, 2007, Dee: 2012). After several failed efforts by the WTO membership to bring the Doha Round to a point of conclusion between 2004 and 2008 (see Table 1 above), and with a failed bid by the EU itself to secure a conclusion by announcing in July 2008 its readiness to accept the deal that was then on the table, the role of the EU within the negotiations has undergone a perceptible shift with it now in the unusual position of being a fly-on-the-wall as others negotiate around it. Whilst remaining an important player in the WTO, the EU has not in fact been pivotal to the crux negotiation issues that have continued since 2008 (interview, First Secretary to the WTO, southern developing country, Geneva, May 2011, interview, senior official, DG Trade, Brussels, May 2011).

Unwilling (and unable due to the restraints of its own Member States) to concede any further market opening in agriculture until others demonstrate similar compromise in industrial goods and services (see also Dee: 2012), the EU has thus been, since 2008, in a condition of stasis within the Doha Round: its agreement remaining essential for any conclusion, but its activity markedly diminished in endeavouring to obtain that goal.

Next stages for the EU?

Conclusions from the EU's Foreign Affairs Council, meeting on the side-lines of MC9 in Bali, were notably positive in reiterating the EU's support for the Doha Development Agenda,

This research acknowledges the support of the FP7 large-scale integrated research project GR:EEN - Global Re-ordering: Evolution through European Networks
European Commission Project Number: 266809

stating that a successful outcome at Bali, "would create positive momentum for the resumption of negotiations on other Doha Development Agenda (DDA) issues in 2014" (Council: 2013: 8). The Council further went on to stipulate that:

"The Council approved the draft Ministerial Declaration on a post-Bali work programme, and in particular its overall objective of concluding the Round. The Council reconfirmed the importance of achieving a comprehensive, ambitious and balanced final outcome within and across all of the areas of the DDA, in conformity with the relevant Council conclusions." (Council: 2013: 8)

The EU has thus indicated its support for the Doha Round negotiations to continue, and importantly, has maintained its support for the Round to be resumed as a single undertaking (reaching a, "comprehensive, ambitious and balanced" Doha Round conclusion). In order to achieve that objective the EU must however start to re-evaluate its role in the WTO's post-Bali work programme.

Most importantly, the EU must now crucially re-engage with the WTO's negotiation process.

If the EU is to achieve its multilateral trade objectives, further its trade interests, and fulfil its long term aspirations for the WTO as first stipulated at the launch of the Doha Round in 2001, the EU must now move out of its current position of stasis and actively and deliberately reengage with the Doha Round negotiations. In particular, the following steps may be recommended:

First, the EU must start immediate internal discussions within its Trade Policy Committee¹² to find further areas of movement in the EU's position on agriculture. The EU's acceptance of the Doha texts in 2008 represented what its Member States saw as the European Commission meeting the 'red-lines' of its' negotiation mandate (EurActiv: 2008, EUobserver: 2008). For the EU to be able to make any substantive contribution towards finding a Doha conclusion it must demonstrate some further flexibility over this crux negotiation issue.

In addition, the European Commission should begin drafts of a new negotiation mandate to be submitted to the Foreign Affairs Council that draws upon those discussions within the TPC, but which also reflects the changes from Bali. This is particularly important because the EU has premised its negotiation objectives and performance within the Doha Round to date on a negotiation mandate agreed in October 1999 (Council: 1999). Whilst it may be expected that that mandate will continue to form the mainstay of the EU's negotiation position, it should nevertheless be upgraded and updated to reflect the new dynamics of the WTO, the Multilateral Trading System, and the Doha Round.

This research acknowledges the support of the FP7 large-scale integrated research project **GR:EEN -** *Global Re-ordering: Evolution through European Networks* European Commission Project Number: 266809

¹² The TPC is the main consultative and advisory body dealing with trade matters within the EU. It meets every Friday formed of senior trade policy officials from each Member State, and once monthly at the Ambassadorial level. Items raised in the TPC are then reported to COREPER-1 before being discussed at the Ministers level in the Foreign Affairs Council. The European Commission speaks for the EU Members within the WTO but the Foreign Affairs Council sets the Commission's negotiation mandate. The Council, plus the European Parliament must also agree any outcome agreement negotiated by the Commission.

Second, the EU must demonstrate a renewed commitment to the Doha Round negotiations as a whole. This will require either the completion of its T-TIP negotiations with the United States as soon as possible¹³ in order to revert the Commission's attentions (and best people) to the WTO, or to make a concerted effort to achieve both in a way which is complementary to the Doha Round. This will be critical because whilst the EU has consistently stated its prioritisation of the WTO and multilateral trade negotiations, its actions in favouring preferential trade agreements, coupled with its diminished activity in the WTO since 2008, have made this more rhetorical than realistic. In order to demonstrate that the EU is committed to finding a Doha conclusion, and thus able to attract the support of others within the WTO, it must start to demonstrate greater action and a more concerted effort to find a way through the impasse.

Third, the EU may be expected to undertake some shepherding of the United States into taking a more active and engaged involvement in the Doha Round. Whilst the United States has backed the post-Bali Work Programme it has yet elaborated what it wants from a return to the Doha Round negotiations. The United States' former reticence towards the negotiations, particularly over its relations with China over non-agricultural market access, may be expected to continue, especially with it facing mid-term elections in November 2014. However, the involvement of the United States is crucial for an outcome to be achieved. The EU may therefore be required to marshal the United States into taking on a more proactive role within the WTO. One method for this may be to utilise the opportunity of the T-TIP negotiations to persuade and put pressure on the United States to make concrete commitments towards concluding the Doha Round¹⁴.

Fourth, the EU, in adopting a "spirit of pragmatism and consensus" suggested by Pascal Lamy (2013: 180), must **work constructively with the emerging economies** and demonstrate greater flexibility with regards granting them Special and Differential Treatment. This will be a hard pill to swallow but it will be crucial for the Doha Round to succeed.

There is also some argument that in demonstrating the sort of compromise (indeed sacrifice) that will be required for the Doha Round to be concluded, it will in fact benefit the EU in the longer run. Politically, it would bolster the EU's relations with the developing south whilst enhancing its status as a world leader – a status which has waned since the turn of the 21st century and which, if demographic trends are to be believed, may be expected to decline further over the next few decades. Economically, as the previous section revealed, the conclusion of the Doha Round will itself bring enormous economic benefits to the global economy. With the EU still trying to recover from the global economic crisis, the injection of new trade, new market opening, and new opportunity, would also be a substantial boost.

¹³ At time of writing, EU and United States negotiators were meeting in Washington DC for the <u>third round</u> of T-TIP negotiations. They shall meet again in February 2014.

¹⁴ Under the <u>T-TIP negotiations</u>, the EU and United States address three specific aspects of trade: (A) market access, (B) Regulatory issues and non-tariff barriers, and (C) Addressing Shared Global Trade Challenges and Opportunities in the 21st century. Under the section on addressing shared global trade challenges the EU and United States have stated that, "negotiators will address areas that go beyond bilateral trade and also contribute to the strengthening of the multilateral trading system". The conclusion of the Doha Round and the strengthening of the WTO would therefore be applicable in this context.

Fifth, the EU must pursue the goal of concluding the Doha Round as a priority agenda item within the G20 group of world leaders¹⁵. This will be necessary in maintaining momentum and attracting the necessary political support amongst other major powers. A further exercise will be to raise the matter on the side-lines of the next annual meeting of the World Economic Forum meeting in Davos between 22nd and 25th January 2014, after which progress can be sought officially within the WTO's 1st General Council meeting of 2014 (expected to be scheduled in early February).

Finally, in addition to demonstrating a renewed commitment to the Doha Round negotiations within the WTO, the European Commission should begin in earnest a coordinated global diplomatic offensive, utilising also the diplomatic channels of its Member States, through a tour des capitales¹⁶ in order to bolster the level of political will and consensus amongst third countries needed to bring about a wider agreement.

Conclusion and Recommendations

In this paper the WTO's 9th Ministerial Conference held in Bali, Indonesia between 3rd and 7th December 2013 and its outcome agreement has been analysed and the question of 'what next' both for the WTO and the EU addressed. In summary, the main recommendations from this paper are as follows:

- 1. In addressing the question of 'what next' for the WTO, negotiators must now utilise the impetus generated by the victory at Bali to conclude the Doha Round. Only once the Doha Round is completed can its extensive economic and political benefits be gleaned and can the WTO begin to move forward in addressing the new trade issues of the 21st century;
- 2. Concluding the Doha Round is best achieved through a return to the single undertaking. Only by allowing members to off-set the concessions they will need to make against gains made across a wider negotiation package, can the ambition and comprehensiveness of the Doha agenda be achieved;
- 3. The EU must now re-engage with the Doha Round negotiations and take on a more active and deliberate role in tackling the post-Bali Work Programme. Specifically, the EU must move out of its current condition of stasis within the WTO and demonstrate a renewed commitment both to the WTO, the Doha Round, and the multilateral process. Important steps forward in this regard will be for the EU to revisit its own negotiation mandate to look for renewed flexibility over agriculture; to demonstrate a

¹⁵ The G20 (not to be confused with the G-20 Group within the WTO) is formed of Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, the United States, and the European Union. As a group the G20 accounts for around 85% of global GDP, 75% of global trade and makes up two thirds of the world's population. The G20 next meets at the level of national finance ministers in Sydney in February 2014.

¹⁶ This tactic has yielded extremely positive results for the EU in the past (i.e. prior to the launch of the Doha Round itself, and in the lead up to the 2004 General Council meeting) and would demonstrate its seriousness in concluding the Doha Round to third countries

renewed commitment to the WTO, aided particularly by the speedy conclusion of the T-TIP negotiations with the United States; and to start to work constructively with the United States and emerging economies, particularly through the G20 and World Economic Forum in an effort to find a way through the current Doha deadlock.

The road ahead will certainly be difficult and complex for the WTO, the Doha Round and for the EU's role within it. What is clear however is that, should the EU take steps to more actively engage in the WTO's Doha Round negotiations, it could make a marked difference both for the success of the Doha Round as a single undertaking, and in bringing about the "comprehensive, ambitious and balanced" outcome the EU has itself consistently sought from the negotiations.

With the impetus that has come from the Bali Package agreed at MC9 in Bali on 7th December 2013, now is the opportunity for the EU to re-evaluate its role, re-engage fully with the WTO as a negotiation forum, and make an important contribution to the much-needed conclusion of the Doha Development Agenda.

References

- Ahnild, Anders. (2005) 'Setting the Global Trade Agenda: The European Union and the Launch of the Doha Round' in Elgström, O & Jonsson, C. (eds.) *European Union Negotiations: Processes, Networks and Institutions* (Routledge: London), pp. 130-147
- Bhagwati, Jagdish (2001) 'After Seattle: free trade and the WTO' International Affairs, 77(1), 15-29
- ---- (2013) 'Dawn of a New System' International Monetary Fund, Finance & Development 50(4), 8-13
- Blustein, Paul (2009) Misadventures of the Most Favored Nations: Clashing Egos, Inflated Ambitions, and the Great Shambles of the World Trade System (PublicAffairs, New York)
- Bouët, Antoine & Laborde, David (2009) 'Eight Years of Doha Trade Talks: Where do we stand?' IFPRI Issue Brief 61, November 2009
- Bretherton, Charlotte & Vogler, John (2006) *The European Union as a Global Actor* (2nd edition) (Routledge: London)
- Bridges Daily Update (2013a) 'Bridges Daily Update #1 | Uncertainty Looms as Trade Ministers Arrive for Bali Meeting' 2nd December 2013
- ---- (2013b) 'Bridges Daily Update #3 | Food Stock Subsidies to "Make or Break" Bali Trade Talks' 4th December 2013
- ---- (2013c) 'Bridges Daily Update #5 | Historic Bali Deal to Spring WTO, Global Economy Ahead' 7th December 2013
- Bridges Negotiation Briefing (2013) 'A Brief Guide to Negotiations at the WTO's Ninth Ministerial Conference' December 2013.
- Bridges Weekly (2011) 'Doha: EU Bid to Break NAMA Sectoral Deadlock Receiving Cool Initial Response' Trade News Digest, Volume 15, No. 16, 4th May.
- ---- (2012a) 'WTO Members Aim for "Realistic" Doha Deliverables for 2013' Trade News Digest, Volume 16, No. 43, 12th December
- ---- (2012b) 'New Proposals Boost WTO Farm Trade Talks' Trade News Digest, Volume 16, No. 33, 3rd October 2012
- ---- (2012c) 'WTO: Cold Welcome for Ag Export Competition 'Early Harvest' Trade News Digest, Volume 16, No. 12, 28th March 2012
- ---- (2013a) 'WTO Ag Talks: Negotiators Close to Final Bali Deal' Trade News Digest, Volume 17, No. 39, 21st November
- ---- (2013b) 'Success in Bali Sparks Questions over Doha, WTO Future' Trade News Digest, Volume 17, No. 41, 12th December
- Council of the European Union (2013) Press Release, 3277th Council meeting of the Foreign Affairs Council, Bali, Indonesia, 3, 4, 5 and 6 December 2013

- ---- (2008) 'Communique de Presse: Session Extraordinaire' General Affairs and External Relations Council, Brussels, 18 July 2008
- ---- (1999) 'WTO: Preparations of the Third Ministerial Conference Council Conclusions' 2209th meeting of the Fisheries Council, 26th October 1999
- Dee, Megan (2012) <u>'Tackling the EU's emerging irrelevance in the Doha Round'</u> Ideas on Europe, European Council on Foreign Relations, 12 April.
- ---- (2013) 'A new Director General for the WTO and its implications for the Multilateral Trading System' Views on the EU, GR:EEN newsletter, edition 14, November 2013
- Devuyst, Youri (1995) 'The European Community and the Conclusion of the Uruguay Round' in Rhodes, C. & Mazey, S. (eds.) *Building a European Polity?* (Boulder Lynne Rienner: Harlow, Longman), pp. 449-467
- EurActiv (2008) 'Mandelson encounters resistance in trade talks' 27th May 2008
- EUobserver (2008) 'France and Brussels at loggerheads over trade talks' 27th May 2008
- European Commission (2004) 'Letter from Commissioners Pascal Lamy and Franz Fischler on the Doha Development Agenda' 9 May 2004
- ---- (2010) 'Trade, Growth and World Affairs: Trade Policy as a Core Component of the EU's 2020 Strategy' COM(2010)612
- Financial Times (2013a) 'World trade talks face collapse, warns Roberto Azevêdo', 26th November 2013
- ---- (2013b) 'WTO: Up in the air: A failure to reach an agreement in Bali would threaten the future of multilateral trade' Analysis, 2nd December 2013
- High Level Trade Experts Group (2011) World Trade and the Doha Round: Final Report, May 2011
- Hoekman, Bernard, Martin, Will & Mattoo, Aaditya (2009) 'Conclude Doha: It Matters!' The World Bank, Policy Research Working Paper 5135
- Hufbauer, Gary, & Schott, Jeffrey (2013) Payoff from the World Trade Agenda 2013, Report to the ICC Research Foundation, Peterson Institute for International Economics, April 2013
- Lamy, Pascal. (2013) The Geneva Consensus: Making Trade Work For All (Cambridge University Press: Cambridge)
- McCormick, John. (2007) The European Superpower (Hampshire: Palgrave Macmillan)
- Mortensen, Jens Ladefoged. (2009) 'The World Trade Organisation and the European Union' in Jorgensen, K.E. (ed.) *The European Union in International Organizations* (Routledge: Oxon) pp. 80-100
- New York Times (2004) 'Trade Talks in Geneva Offer More Hope This Time' 26th July 2004

- Paeman, Hugo & Bensch, Alexandra (1995) From the GATT to the WTO: The European Community in the Uruguay Round (Leuven University Press: Leuven)
- Schnabel, Robert. (2005) The Next Superpower? The Rise of Europe and its Challenge to the United States ((Plymouth: Rowman & Littlefield Publishers Inc.)
- Siles-Brügge, Gabriel (2011) 'Resisting Protectionism after the Crisis: Strategic Economic Discourse and the EU–Korea Free Trade Agreement.' New Political Economy 16(5)
- Smith, Michael. & Woolcock, Stephen. (1999) 'European Commercial Policy: A Leadership Role in the New Millennium?' European Foreign Affairs Review, 4, 439-462
- The Economic Times (2013) 'Bali WTO meet: India to press for food security right' 1st December 2013
- The Economist (2013) 'Doha Delivers' 9th December 2013
- The Telegraph (2013) 'WTO: Who is Roberto Azevedo?' 7th May 2013
- UNCTD (2010) 'International Trade After the Economic Crisis: Challenges and New Opportunities' United Nations Publication UNCTAD/DITC/TAB/2010/2
- Van Den Hoven, Adrian. (2004) 'Assuming Leadership in Multilateral Economic Institutions: The EU's 'Development Round' Discourse and Strategy' West European Politics, 27(2), 256-283
- WTO (2001) 'WTO and the new Round of trade talks' Speech by WTO DG Mike Moore at the 14th general meeting of the Pacific Economic Cooperation Council, Wednesday 28th November 2001
- ---- (2011) 'Chairman's Concluding Statement and Elements for Political Guidance' Eighth Ministerial Conference, Geneva, 17 December 2011, WT/MIN(11)11
- ---- (2013a) 'Azevêdo launches "rolling set of meetings" aimed at delivering success in Bali' News Item, 9th September 2013
- ---- (2013b) 'Azevêdo: "We are too close to success to accept failure but it is all or nothing now" News Item, 12th November 2013
- ---- (2013c) 'A number of WTO members support Azevêdo's efforts to broker a successful outcome on the Bali Package', News Item, 29 November 2013
- ---- (2013d) "We cannot tell the world that we have delivered" Azevêdo warns last pre-Bali meeting' News Item, 26th November 2013
- ---- (2013e) 'Address by Shri Anand Sharma, Union Minister of Commerce and Industry at the Plenary Session of the 9th Ministerial Conference of the WTO' 4th December 2013, available online at http://www.wto.org/english/thewto-e/minist-e/mc9-e/stat-e/ind.pdf (last accessed 6th December 2013)
 - ---- (2013f) 'Ninth WTO Ministerial Conference, Bali, Indonesia, 3-6 December 2013, LDC package for Bali, Communication by Nepal, on behalf of the LDC Group' TN/C/W/63, 31 May 2013

- ---- (2013g) 'Day 2: Consultations on 'Bali package' begin as Yemen's membership accepted' News Item, 4th December 2013
- ---- (2013h) 'Public Stockholding for Food Security Purposes', Draft Ministerial Decision, Ministerial Conference Ninth Session, Bali, 3-6 December 2013, WT/MIN(13)/DEC/W/10, 6th December 2013
- ---- (2013i) 'Bali Ministerial Declaration: Revised Draft', Ministerial Conference Ninth Session, Bali, 3-6 December 2013, WT/MIN(13)/DEC/W/1/Rev.1, 7th December 2013
- Young, Alasdair, R. (2011) 'The rise (and fall?) of the EU's performance in the Multilateral Trading System' *Journal of European Public Policy*, 33(6), 715-729
- ---- (2007) 'Negotiating with diminished expectations: the EU and the Doha Development Round' in Lee, D. & Wilkinson, R. (eds.) *The WTO after Hong Kong: Progress in, and prospects for, the Doha Development Agenda* (Routledge: London) pp. 119-136