



# TRADE POLICY BRIEFS

## WTO NEGOTIATIONS

No. 31 ■ FEBRUARY 2018

### Eleventh WTO Ministerial Conference (MC11) – Outcomes for agriculture and fisheries

Trade Ministers gathered in Buenos Aires, Argentina, to participate in the Eleventh World Trade Organization (WTO) Ministerial Conference (MC11), which was held from 10 to 13 December 2017.

The participants agreed on four Ministerial decisions on various trade issues, including on fisheries subsidies, e-commerce and small economies. However, no agreements were reached on any of the agricultural issues that were discussed, including domestic support, public stockholding for food security purposes, export restrictions, market access, and the special safeguard mechanism (SSM) for developing countries.

On fisheries, countries agreed to continue talks with a view to adopting, by 2019, an agreement to discipline certain forms of subsidies that contribute to overcapacity and overfishing and to eliminate by the same date “subsidies that contribute to illegal, unreported and unregulated (IUU) fishing”.<sup>1</sup> In essence, this decision can be seen as an agreement on a work program. Many Members that had advocated for an effective and pragmatic outcome considered the final decision unambitious, not least because of the already agreed upon political commitments in the Sustainable Development Goals (SDGs) on fisheries subsidies.<sup>2</sup>

On e-commerce, the participants decided to reinvigorate their work and instructed the WTO General Council to hold reviews and report on this at the next session of the Ministerial Conference.<sup>3</sup> Similarly, with regard to small economies, the Ministers agreed to continue working “on the challenges small economies experience in their efforts to reduce trade costs, particularly in the area of trade facilitation”.<sup>4</sup> These decisions may foster a discussion of the effect of e-commerce on agricultural and fisheries trade as well as encourage an analysis of the challenges and opportunities faced by small economies when linking to global value chains.

On agriculture, WTO Members were not able to reach any outcome because of substantial differences on many issues. For instance, on

public stockholding for food security purposes, Members were not able to find a compromise despite the 2013 Bali Decision.<sup>5</sup> They could not reach an agreement, *inter alia*, on the links between public stockholding and the need to make progress on domestic support, including cotton subsidies. The issue of transparency and notification obligations in the Agreement on Agriculture was also linked to this debate.

Overall, the Buenos Aires Ministerial Conference highlighted divergent positions within the membership, which points to systemic issues and raises questions about the future of the negotiating function of the WTO. In fact, while recalling the importance of the multilateral trading system,<sup>6</sup> many Trade Ministers from both developed and developing countries expressed disappointment and concern, fearing that important issues are now at an impasse. Furthermore, the lack of a permanent solution on public stockholding by the set deadline – as in the case of other pressing issues during the Doha Development Agenda negotiations – casts doubts on the feasibility of reaching an agreement on fisheries subsidies by the 2019 Ministerial Conference. In this context, many Members raised concerns about the 2020 SDG-14 deadline to effectively regulate harvesting and end overfishing and IUU fishing practices, and the short period that would exist for implementation after the next Ministerial Conference in 2019.

Apart from the Ministerial decisions, some countries also issued Joint Statements proposing additional areas for future work. Among these, two touch on issues of particular interest for the agriculture and fisheries sectors: a *Declaration on the establishment of an informal WTO work programme for Micro, Small and Medium-Sized Enterprises (MSMEs)*, and a document on *Investment Facilitation for Development*. In the first case, the signatories declared their intention to create an Informal Working Group to discuss issues such as the reduction of trade costs and trade promotion.<sup>7</sup> In the latter, Members called for structured discussions to develop a multilateral framework on investment facilitation.<sup>8</sup>

1 WTO, WT/MIN(17)/64, Ministerial Decision on Fisheries Subsidies

2 <https://sustainabledevelopment.un.org/sdg14#targets>

3 WTO, WT/MIN(17)/65, Work Programme on Electronic Commerce

4 WTO, WT/MIN(17)/63, Work Programme on Small Economies

5 At the Bali Ministerial Conference in 2013, WTO members agreed to negotiate and find a permanent solution to the issue of public stockholding programmes for food security purposes by 2017 (WTO)

6 WTO, WT/MIN(17)/55/Rev.1

7 WTO, WT/MIN(17)/58, Declaration on the establishment of a WTO informal work programme for MSMEs

8 WTO, WT/MIN(17)/59, Joint Ministerial Statement on Investment Facilitation for Development