

Advances in the multilateral negotiations

Main results of the Ninth Session of the WTO Ministerial Conference

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A long period of stagnation in the multilateral negotiations of the Doha Round had raised doubts about the future of the (World Trade Organization) WTO. At the Bali conference, however, the member countries reached significant agreements that underscore the multilateral forum's relevance, which had been threatened by partial initiatives, promoted especially by groups of countries, such as the Trans-Pacific Partnership (TPP), from which the countries not directly involved are excluded.

This note¹ describes the general issues related to agriculture addressed in Bali². Technical details of each one will be provided in subsequent notes.

This note provides follow-up to the bulletin "The WTO Conference in Bali: potential agriculture-related topics for discussion," published by the Center for Strategic Analysis for Agriculture (CAESPA) of the Inter-American Institute for Cooperation on Agriculture (IICA). It provides an overview of the main results of the Ninth Ministerial Conference of the World Trade Organization (WTO), held from December 3-7, 2013 in Bali, Indonesia.

Issues included in the Bali Package

The Bali Package comprises a series of declarations and agreements on issues related to the Doha Round that were discussed at the Ninth Ministerial Conference. In general, the issues addressed can be divided into two kinds. The first involved matters related to the regular work of the WTO's General Council, such as the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement), a work program on electronic commerce and another on small econ-

omies. Discussions also took place on trade and technology transfer and aid for trade.

The second type of issues discussed were those included in the Doha Development Agenda: a) agriculture b) trade facilitation and c) development and priority needs for least-developed countries. This bulletin will focus on these matters, since they have the biggest impact on agriculture.

1. Prepared by Adriana Campos Azofeifa and Nadia Monge Hernández, of CAESPA.

2. To be found at http://www.iica.int/Eng/Programs/StrategicAnalysis/Boletin/2013/N10/N10_eng-BaliConferenceAgriculture1.pdf

Agriculture

With regard to agriculture, standards were discussed for five areas in particular:

- 1 General services:** Under the WTO Agreement on Agriculture, members are required to notify their counterparts of general services programs,³ regarded as Green Box measures.⁴ At the Ministerial Conference, members recognized the contribution that such programs can make to rural development, food security and poverty alleviation, especially in developing countries. They drew up a proposed list of general services of special interest to developing countries to be added to the Green Box, provided that they do not distort trade, or do so only minimally.
- 2 Administration of tariff quotas:**⁵ The members agreed on a new proposal concerning the way in which tariff quotas for agricultural imports will be administered, specifically in the case of underfill, and the different periods established for when they are used persistently.
- 3 Export competition:** The members pledged to reduce the use of export subsidies⁶ and to apply policies that have similar effects, subject to reduction commitments under the Agreement on Agriculture.
- 4 Cotton:** Members expressed interest in trying to improve market access for cotton products from the least-developed countries and pledged to continue discussing the subject at the meetings of the Committee on Agriculture. The latter will be done by means of dedicated discussions on all forms of export subsidies for cotton, domestic support, as well as tariff measures and nontariff measures applicable to cotton exports.

- 5 Public stockholding, by developing countries, for food security purposes:** Until a permanent solution to the problem of food insecurity is found, developing countries that have notified the organization that they have exceeded, or run the risk of exceeding, their monetary limits of distorting aid as a consequence of the application of programs designed to contribute to the achievement of food security, and that have ensured that their programs do not negatively affect the food safety of another member, may take advantage of the peace clause⁷ established in the decision.



3. In Annex 2 of the WTO Agreement on Agriculture, "General Services" are defined as "Policies [that] involve expenditures (or revenue foregone) in relation to programmes which provide services or benefits to agriculture or the rural community. They shall not involve direct payments to producers or processors." The text of the Agreement on Agriculture is to be found at http://www.wto.org/english/docs_e/legal_e/14-ag.pdf.

4. Green Box measures are domestic supports for agriculture that are permitted because they have no (or minimal) distortive effect on trade. Such measures are exempt from the reduction commitment; that is, no restrictions are applied provided that they do not distort trade.

5. As provided for by the WTO, a tariff quota is an instrument for controlling trade that consists of limiting the amount of a given product that is imported or exported and, specifically, the application of a lower tariff for a specific quantity of an imported good. A country may exceed the established quantity of imports, but must pay a higher rate. The WTO permits quotas of this kind.

6. According to the WTO, these are economic advantages that a government provides, directly or indirectly, to producers of certain goods or services in order to improve their competitive position. Some economic aid measures are prohibited because they distort trade (export subsidies and national content subsidies), while others are subject to reduction commitments.

7. The peace clause means that if a member exceeds its domestic support commitments because of food security considerations, but meets the conditions established in the decision (e.g., the programs were in effect before December 6, 2013), no other member may make recourse to the WTO's dispute settlement mechanism.

Trade facilitation

This was the issue on which most concrete progress was made, since the objective of the negotiations was to improve customs procedures and transparency in order to reduce costs. Therefore, measures were included designed to reduce the formalities and simplify customs and port procedures based on the WTO Agreement on Trade Facilitation. Special treatment provisions were also established for developing and least-developed countries.

Development and priority needs for least-developed countries

Progress was made on a number of issues that will benefit least-developed countries, such as the following: a) access to the markets of developed countries, b) use of tariff quotas for exports, c) preferential rules of origin for LDCs and d) preferential access for trade in services in developed countries.

Another of the decisions taken involved the creation of a monitoring mechanism that will include the holding of meetings to moni-

tor the special treatment granted to developing countries. Finally, the members felt that the decisions included in the Bali Package marked a big step toward the conclusion of the Doha Round, and that a post-Bali work program should be established in the member countries. In other words, a road map for the negotiations is needed that includes the points that were discussed, those that were left out and those with respect to which no agreement was reached, but that are of vital importance for trade liberalization, such as agricultural subsidies.

Other matters discussed at the Bali Conference

At this meeting, whose objective was to reactivate the multilateral negotiations, the members approved the terms and the conditions for Yemen's entry into the WTO, which had been requested in 2000.

Yemen will have until June 2, 2014 to ratify the respective accession agreement. If it does, it will become the 160th member country of the WTO 30 days after it notifies the Director General of the WTO of the approval of the Protocol of Accession.

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