



Note

Towards the 12th WTO Ministerial Conference: issues and expectations from Stakeholders in the East African Community:

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Summary

This brief note highlights outcomes from the preceding 11th Ministerial Conference of Buenos Aires, in light of which it presents the interests of stakeholders from the East African Community (EAC) toward the 12th Ministerial Conference.

Introduction

After being postponed, the next World Trade Organization's (WTO's) Ministerial Conference will be held in Kazakhstan in June 2020. Held once every two years, it is the highest decision-making body of the WTO and reunites all WTO members to discuss and negotiate further trade rules and regulations. Developing countries and Least-Developed Countries (LDCs) anticipate that issues of their interest will be taken into account and the outcomes from the conference will redress some of the challenges they presently face in the multilateral trading system.

I) The Outcomes of the Buenos Aires Ministerial Conference:

Held in December 2017, the 11th WTO Ministerial Conference did not have any concrete outcomes on most issues of interest for EAC stakeholders, specifically in the agriculture sector. It mainly deferred urgent matters for LDCs to the next ministerial conference and expressed reluctance to revision. The main outcomes inter alia included the following:

Fisheries: the Buenos Aires Ministerial Conference agreed that negotiations on the issue should be concluded and an agreement reached by the 12th Ministerial Conference.

The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS): the

moratorium on 'non-violation and situation' complaints in intellectual property was extended until the next Ministerial Conference.

South Sudan Accession to WTO: It was agreed to establish a working party for the accession process.

There were also joint statements made on issues covering: E-commerce; MSMEs; Gender; and Investment Facilitation.

II) Expectations of EAC' stakeholders towards the 12th Ministerial Conference:

The EAC stakeholders consulted, expressed their expectations for concrete outcomes from the forthcoming 12th WTO Ministerial conference that would address the challenges they face in the multilateral trading systems. These include the following:

Agriculture :

Export subsidies: Implementation of the WTO Nairobi Decision on elimination of agricultural export subsidies is of paramount importance to EAC stakeholders.¹

Special Safeguard Measure (SSM): the discussion on SSM, that allows developing countries to raise tariffs temporarily to protect farmers from cheap imports and import surges remains critical for the region to grow its agriculture sector.² The need for SSM is urgent given the present impact of cheap imports on local sectors such as cereals, poultry and

¹ Tanzania Country Update Note (CUN)

² Rwanda CUN

dairy products on local small-scale producers.³

Sanitary and Phytosanitary measures (SPS): compliance with SPS in target markets is among the key challenges for EAC's trade sector. The WTO should provide capacity building and waivers to alleviate SPS obstacles for EAC exportations to markets of their interest especially in developed countries, where their organic agriculture products have a niche. It should also support EAC in protecting the environment and enhancing control of food quality.⁴

Food Security: The negotiations on Public Stockholding should advance in a manner that allows for countries with tenuous agriculture to resist shortages through stock piling programmes. Countries such as Burundi, Kenya and others in the region would require such programmes given that they experience food shortage periods⁵.

Promote industrialisation: there is need to reach an agreement on the developing countries proposals with regard to the important issue of Special and Differential Treatment provisions and measures within WTO Agreements so as to enable the region attain its vision and mission to industrialise and diversify from over reliance on the agricultural sector and export of mainly raw materials⁶.

Fisheries subsidies:

Seeking a genuine outcome to eliminate fisheries subsidies and sticking to the deadline agreed during the 11th Ministerial Conference⁷ is critical given that the fisheries sector is a source of livelihoods and has immense potential for the EAC region, which is

presently curtailed by the lack of disciplines to address over-exploitation.

Any outcome on fisheries negotiations should entail provision of technical assistance and capacity building to implement the necessary disciplines especially on Illegal, Unreported and Unregulated (IUU) Fishing.

Technical Assistance:

Technical assistance remains a critical need for the EAC, which is especially required to facilitate the regions competitiveness and integration on the multilateral trading system. This should be specifically through provision of the necessary infrastructure, capacity building and strengthening access to information; such assistance should be provided through programmes that would enable the region to comply with WTO agreements and leverage the multinational trading system so as to be better integrated. Through such programmes, the region could be better able to improvise policies that would facilitate local industries and stakeholders to leverage the multilateral trading system.

Discussions on 'new issues':

Some WTO members issued joint statements on the need for work on areas such as: e-commerce, MSMEs, Trade and Gender and Investment Facilitation. Stakeholders in the EAC are of the view that such issues, while very pertinent and relevant, should be addressed upon conclusion of existing Doha Development Agenda issues in the Agriculture negotiations that remain unresolved.

³ *ibid*

⁴ Burundi CUN

⁵ *ibid*

⁶ Kenya CUN

⁷ Rwanda CUN

The specific views expressed in this regard include the following:

E-commerce: Although the significance of e-Commerce is well recognized in the multilateral trading system, stakeholders express some reservations on a multilateral discourse in this regard due to the fact that presently countries have the self-interest to promote this form of trade given advancements in technology. Moreover, they opine that setting rules and regulations in the sector may limit capacity to develop and implement policies required to grow the e-commerce sector in their respective countries. There is concern that multilateral disciplines would likely constrain policy space that would otherwise allow the region to put in place policies aimed at developing their capacity for competitiveness in the E-commerce sector. The EAC is fearing that new disciplines on e-commerce and digital trade could constrain their policy space to put in place a development-oriented digital industry policy⁸.

MSMEs: given that the EAC economies are predominantly based on MSMEs, the issue is of paramount importance, however there is critical need for building internal understanding of the practical implications of the role and likely impacts of WTO intervention in this respect. Issues such as definition of MSME's would be important in understanding and participating in the deliberations on the subject matter.⁹

Trade and Gender: EAC stakeholders recognize the special need for taking into account gender issues in the multilateral trading system and support endeavours towards, never the less, a general view is

that the more pressing issues that are yet to be concluded in the WTO negotiations should take precedence.¹⁰

Investment Facilitation: EAC Stakeholders share the view that that issues related with investment facilitation are already a regional priority for attracting and boosting the much need foreign and local investment, and therefore should not be further subjected to multilateral disciplines as such may curtail the needed policy space in that regard.¹¹

Reviving the negotiations towards conclusion of the DDA:

All stakeholders in EAC call for conclusion of the DDA agenda, as was clearly mandated upon commencement of the Doha Round of negotiations. The delay in addressing those pertinent issues has held the regions development efforts back¹².

Conclusion :

All in all, stakeholders in EAC call for conclusion of the Doha Development Agenda, especially the agriculture negotiations which hold the key to their better integration in the multilateral trading system by fully optimizing their potential. Providing technical assistance and capacity building as well as finalising the negotiations on fisheries subsidies also remain priorities for the region in the next WTO Ministerial Conference.

⁸ Rwanda CUN

⁹ Uganda CUN 19

¹⁰ *ibid*

¹¹ *ibid*

¹² Kenya CUN

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