



APEC Business Advisory Council

ABAC 2024

REIWG: WTO

**Presentation by ABAC New Zealand
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Prospects for MC13

- **Continuing frictions on core issues:**
 - Appellate Body reinstatement/dispute settlement reform
 - E-Commerce Moratorium
 - Agriculture domestic support and food stockholding
 - Fish subsidies
- **Plurilaterals: substance 👍 vs status 👎**
 - Around 75% of WTO members participate in plurilaterals
 - On *substance*, great progress on e-commerce, investment, environment (and gender, MSMEs)...
 - ...but India and South Africa reject plurilateral legal *status*

“India will oppose any work programme or a negotiation mandate on non-trade issues such as environment, gender and MSMEs...”
(*Business Standard*, 7 February 2024)
- **Two new members: Timor Leste and Comoros**

Agriculture and Fish Subsidies

- **Agriculture (*all WTO members*)**
 - 2 major issues: domestic support & public stockholding (PSH)
 - Major gaps: India seeking standalone deal on PSH; many (incl many in APEC) want reform of distorting domestic subsidies
 - Likely outcome is an agreement to keep talking – this is important progress (!)
- **Fisheries subsidies (*all WTO members*)**
 - MC12 Fish Subsidies Agreement still lacks sufficient ratifications – ongoing threat to global sustainability
 - Outcome on “Fish 2” (the most complex/contentious elements that were set aside at MC12) still uncertain



E-Commerce



- **E-Commerce Moratorium (*all WTO members*)**
 - Moratorium on Customs Duties on electronic transmissions – potentially affects digital services, “digital goods” e.g. e-books
 - Moratorium is at real risk of falling over, despite significant negative trade and economic implications from new tariffs
 - Strong pressure from a small number of developing economies (Indonesia, India and others) for its removal
 - Business pushback e.g. letter from 140 organisations
- **E-Commerce Joint Initiative (*90 WTO members*)**
 - Negotiated by 90 WTO members (incl 19 APEC economies – convenors Australia, Singapore, Japan); open to all
 - Excellent progress: 13 issues are “parked” (incl paperless trade, e-invoicing, e-signatures, cybersecurity...)
 - Likely outcome will be to bank that package
 - Large gaps remain on data governance, source code – especially after US withdrawal of data proposals for “policy space” in Oct 2023

Investment Facilitation for Development (112 WTO members)

- Negotiated by 112 WTO members (including 17 APEC economies – coordinators Chile and Korea); open to all
- Negotiations concluded in July 2023
- Text focuses on making investment administration more streamlined and efficient, policies more transparent

*“...will contribute to creating a more **transparent, efficient and predictable** environment to facilitate not only more investment, but also **more sustainable investment**, as well as to anchor and support IFD participants’ domestic, bilateral and regional reform efforts”*
(Co-Coordinator’s statement, 6 July 2023)
- Due to be endorsed at MC13, but risk of falling over due to question of legal status



ABAC WTO Statement for MC13

- Propose timing at ABAC I rather than ABAC II (MC13 is 26-29 February)

Key messages

- Now more than ever, the world needs a credible, relevant and effective multilateral trading system, with the WTO at its heart
 - The WTO underpins prosperity, stability and opportunities for all
 - It can provide tools to fight climate change, food insecurity and trade distortions
 - But it cannot do this if WTO Members do not support it
- APEC Ministers must work together to drive ambitious MC13 outcomes
 - We strongly urge a permanent E-Commerce Moratorium
 - We call for the urgent reinstatement of the Appellate Body and necessary reform of the dispute settlement system
 - We call for meaningful reforms on agriculture and fish subsidies, including elimination of trade-distorting subsidies, urgent ratification of the Fish Subsidies Agreement, and conclusion of the second stage of this agreement
- APEC Ministers must also champion Joint Statement Initiatives and other plurilaterals
 - In particular we urge the endorsement of the Investment Facilitation for Development Agreement, and outcomes on E-Commerce
 - Efforts to derail these approaches work against global development
- APEC economies must step up and act now



Recommendation

- Members to note the WTO Update
- Members to endorse the draft ABAC WTO Statement
- Members to continue to advocate for closer business engagement in the WTO – including through a Geneva visit