



**APEC Business Advisory Council**

**ABAC 2024**

**REIWG: WTO**

**Presentation by ABAC New Zealand  
REIWG I, 15 February 2024**

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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