

# TRADE AND DEVELOPMENT COMMISSION

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Item 4: Trade, multilateral cooperation and sustainable development

“Multilateralism under threat – what next?”

Statement submitted by

Mr. John O’Neill

Deputy Permanent Representative of Canada to the World Trade Organization

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**Remarks by Deputy Permanent Representative John O'Neill (check against delivery)**

- Thank you for the opportunity to speak today about the current situation facing the rules-based multilateral trading system.
- The title you have chosen may have seemed a little extreme a few years ago, but today we are indeed facing unprecedented challenges. And action to address these challenges is urgently required, because we all know that rules established through multilateralism matter. They afford protection and they create opportunity for even the smallest to compete and succeed.
- For over seventy years now, we have found those rules first in the GATT and now in the agreements that formed the World Trade Organization. And it is on this foundation that countries have further developed their trading relationships through bilateral and plurilateral free trade agreements.
- However, it is clear that the recent developments in international trade, including rising protectionism, negatively affect the WTO and put the entire multilateral trading system at risk.
- Moreover, these problems were not created by any one WTO Member, they are not new and they cannot be solved by any one Member.
- That is why Canada launched a small group initiative earlier this year to look at the root causes of the issues facing the WTO, to identify possible ways forward and then, eventually, to develop pragmatic and realistic options for consideration
- Members of the small group are: Australia, Brazil, Chile, EU, Japan, Kenya, Korea, Mexico, New Zealand, Norway, Switzerland and Singapore, representing developing and developed countries and from continents
- A few weeks ago, Canada hosted a Ministerial meeting of these thirteen WTO members with the objective of identifying concrete and tangible ways the operation of the WTO could be enhanced and improved over the short, medium and long term.
- In advance of that meeting, we developed a discussion paper that examines the challenges we face. If you haven't read it yet, it is available through the WTO on-line document system (JOB/GC/201)
- The first section examines notifications and their role in a well-functioning monitoring system, the dialogue and deliberation functions of regular WTO bodies, and mechanisms to address trade concerns

- The second section outlines the situation in relation to burdens in the dispute settlement process, ideas around streamlining the dispute settlement proceedings, and the situation in regards to the Appellate Body
- The third section provides an overview of the different ideas to modernize the trade rules, the options to do so, and the development questions that overlay that discussion.
- We see the joint Ministerial communique that was issued on October 25 as laying the groundwork to create a space for all members to develop consensus responses to WTO reform and modernization using a bottom-up approach.
- While have started small so as to help focus discussions at the outset, we intend to gradually expand the group in order to ensure that we receive as wide a range of views and input as possible and that options do not simply reflect the views of a minority of members
- Let me stress that we have not started this exercise with preconceived notions of what the possible solutions should be – as I indicated earlier, we are starting from the ground up – we intend for this to be a membership-driven exercise.
- Our overall objective is to develop options that will enjoy broad acceptance by the WTO membership as possible
- This includes in the consideration of development, where the joint Ministerial communique was clear that it must remain an integral part of our work. This also includes how the development dimension, including special and differential treatment, can be best pursued in a 21<sup>st</sup> Century WTO.
- In this respect, we want to examine what we are collectively trying to achieve when we speak about the development dimension.
- In trade conversations, we too often use “development” and “Special and Differential Treatment” as interchangeable phrases, which often lead to us having very difficult exchanges to find a single solution to a very multi-faceted and complex issue that is development.
- When reflecting on 'what next', we believe that a renewed discussion, going back to the fundamentals, is essential to restart a stalled dialogue.

- Since we launched the Doha round in 2001, we have continued to develop various tools and ways to address the priority which was and still is development.
- Aid for Trade being one of them, S&DT in various forms being another, and technical assistance. This goes all the way to the provisions in the Trade Facilitation agreement that provides both flexibility in the timing for implementation of the obligations and mechanisms to assist those which require technical and capacity building support to implement.
- This was not meant to be a static situation and we can see it for ourselves, the world in 2018 is far different from what it was in 2002.
- We don't have the solution, and I don't think any of us have it at this point, but as a first step, initiating a renewed dialogue seems the most promising way to start on new basis which will help us get beyond what I think we can all agree is a conversation not working for developing countries.
- The Canadian initiative will continue to work in as transparent a manner as possible – our effort are not intended to be secret
- Our effort is the start of a longer-term process – one that will only be successful if all WTO members engage pragmatically and realistically
- We look forward to continued conversations.
- Thank you