

Statement to the Senate
by
Senator the Honourable A. J. Nicholson Q.C.
Minister of Foreign Affairs and Foreign Trade
Friday, 15th January, 2016
on the
Outcome of the Tenth WTO Ministerial Conference (MC10)
Nairobi, Kenya, 15th -19th December, 2015

Mr. President,

I am pleased to report on the outcome of the 10th Session of the Ministerial Conference of the World Trade Organisation (MC10), held in Nairobi, Kenya, 15th to 19th December 2015.

This meeting was significant for many reasons, beginning with the fact that the trade in goods and services remains the engine of global growth and must play a significant role in any effort to achieve the United Nations goals agreed in Agenda 2030. Indeed, global trade accounts for 60 per cent of global GDP.

It is precisely because of the importance of trade to all aspects of economic development that the 10th WTO Ministerial Conference was seen as a crucial Conference.

The rules that govern global trade are set by the WTO. Any change to these rules is measured in terms of the impact on the share of trade of affected Members. No change is made lightly and every issue is analysed and checked with this in mind.

Mr. President,

Jamaica has consistently placed high importance on multilateral trade issues in the WTO of which we are a founding Member. We have done so, recognising that without clear rules, small vulnerable economies, like Jamaica's, will be even more disadvantaged in the highly competitive arena of international trade.

The fact is that all of Jamaica's trade, whether in goods or services, is affected by the rules of the WTO. Ordinary trade is conducted in line with the Most Favoured Nation principle of the WTO, while the special trade arrangements, such as those with the US under the CBI; Canada under CARIBCAN; the EU under the EPA; and intra-regional trade under the CARICOM Single Market and Economy (CSME) are also governed by the rules of the WTO.

Mr. President,

It is in this context that I led Jamaica's delegation to the 10th WTO Ministerial Conference (MC10) in Nairobi.

MC10 was a historic Conference. It was held during the 20th anniversary of the WTO and was hosted for the first time on the continent of Africa.

Our host, H.E. Uhuru Kenyatta, President of Kenya, emphasised the importance of advancing a WTO agenda in which development - a priority for his continent as it is for all developing countries – is placed at the centre. His message came in the midst of a debate within the WTO on the future of the Doha Development Agenda (DDA), which is the negotiating round launched after the establishment of the WTO in 1995. It also came at a time when even as the Development Round continues to face severe challenges, major trade agreements are being advanced among groups of Members, as we saw in the recently concluded Trans Pacific Partnership Agreement (TTP).

Jamaica, speaking also on behalf of CARICOM in our capacity then as CARICOM coordinator at the WTO, called for reason and

realism in confronting this crucial question of the future of the negotiating agenda of the WTO and the fate of the Doha Round.

We joined the vast majority of Members in urging the Conference not to squander the valuable work done under the DDA but rather seek to preserve the gains made by developing countries, in general, and small and vulnerable economies and LDCs, in particular.

By way of background, Mr. President, the Senate will recall that the WTO Doha Development Round of Multilateral Trade Negotiations was launched in 2001 in Doha, Qatar. It was expected to end in 2004. However, 14 years on, limited progress has been made in advancing trade liberalisation and developing new trade rules in a manner that addresses the needs and interests of developing countries.

A breakthrough in the Round was reached at MC9 held in Bali in 2013, with the finalization of the WTO Agreement on Trade Facilitation, with its unique model of special and differential treatment for developing countries like Jamaica. However, in areas such as market access for agricultural and industrial

products, as well as services, no breakthrough has been possible, due in large part to the stand-off between certain developed countries and so-called emerging economies on the level of commitments that are demanded in various areas. This remains the great stumbling block for the DDA, though by no means the only one.

Mr. President, in the end, reason and realism prevailed in Nairobi and Members agreed to move forward on the issues of the DDA, while recognising that not all are agreed on using the existing DDA framework as the means to this end. However, it is vitally important to recognise that Ministers declared, without equivocation, that work on the remaining areas of the Doha issues “shall maintain development at its centre” and that “provisions for special and differential treatment shall remain integral”.

These outcomes were realised after round-the-clock efforts to narrow the differences that existed among WTO Members and secure agreement in sensitive areas of the overall Ministerial Negotiations. A final breakthrough was achieved on December 19th, one day after the Conference was scheduled to end and only hours before our scheduled departure from Nairobi. Members

now have the difficult task of arriving at a common position on how to advance negotiations post-Nairobi. These negotiations will be conducted at the seat of the WTO at Geneva.

Mr President, our challenges as Ministers in Nairobi were manifold - it was not all about the fate of the DDA. Besides grappling with this crucial question, the Conference had to advance negotiations in the specific areas of Agriculture; Transparency in Rules (Anti-dumping; Fisheries Subsidies and Regional Trade Agreements); LDC issues; Transparency in Services; and Special and Differential Treatment (S&DT).

To make progress on these issues, the Chairman of the Conference appointed Facilitators to assist in advancing negotiations among Members.

Rules

I was called upon to serve as the Ministerial Facilitator for the Rules Negotiations, particularly on the issues of Fisheries Subsidies, Anti-dumping measures and Regional Trade Agreements. Areas covered in the Rules negotiations, such as

anti-dumping, account for a large share of WTO dispute settlement cases and remain quite sensitive for many Members.

As Facilitator, I was able to advance compromise texts that emerged after difficult and protracted negotiations. While differences were narrowed significantly, an outcome was realised only in the area of Regional Trade Agreements. However, the valuable work done in the area of fisheries subsidies, which was pushed by a large number of developing countries, including CARICOM Members, can be expected to be carried forward in further negotiations in Geneva.

Members recognised the important role that these negotiations must play in meeting the Sustainable Development Goals (SDGs) of Agenda 2030, which sets a specific timeframe for prohibitions on certain fisheries subsidies. Jamaica will play an active part in these efforts, both in its role as Chair of the Negotiating Group on Rules and as a Member committed to improving trade rules affecting fisheries.

Agriculture

Mr. President, Negotiations on Agriculture resulted in the historic Decision to establish disciplines for export competition, including the phasing-out of agricultural export subsidies. For the first time, this will see the elimination of export subsidies in the area of agriculture, a practice that was prohibited for goods decades ago.

Of particular importance to Jamaica is the Decision that “developing country Members will have the right to have recourse to a special safeguard mechanism (**SSM**)” in relation to agricultural products and that negotiations on the trade remedy should be pursued in “dedicated sessions of the Committee on Agriculture in Special Session”.

The outcome of these negotiations, if successful, should allow developing countries, like Jamaica, the flexibility to temporarily raise tariffs beyond current levels to respond to sudden import surges and price depressions in agricultural trade. This would address the trade remedy imbalance that currently exists in the WTO Agriculture Agreement.

Small, Vulnerable Economies (SVEs)

After determined efforts by Jamaica, CARICOM and other small, vulnerable economies (SVEs), the Declaration has given explicit commitment “to continue to address in every area of WTO work in a substantive and meaningful manner, the needs of SVEs and to favourably consider the adoption of such measures as would facilitate their fuller integration into the multilateral trading system”.

It is incumbent on SVEs, like Jamaica, to ensure that their views are taken into account in the post- Nairobi process, including in the negotiations on the remaining Doha issues. In this regard, our Permanent Representation to the WTO at Geneva will continue to be fully engaged.

Net Food Importing Developing Countries

Jamaica is also pleased that the Declaration reaffirms the commitment to pay due attention to the concerns of **Net Food Importing Developing Countries (NFIDCs)**, like Jamaica, in future agricultural reform efforts. This would allow the WTO to make a contribution to addressing the food security concerns of NFIDCs.

Mr. President, MC 10 served as another important milestone in the work of the WTO. The Conference reaffirmed the vital issues and interests that are at stake across the spectrum of the WTO membership.

The post-Nairobi process will have to contend with the divergent positions in relation to the future of the DDA and the scope for developing a meaningful work programme for the WTO.

Jamaica will continue to engage and show leadership at all levels of interaction with a view to safeguarding its core interests in international trade.

As I conclude, Mr. President, I am pleased to announce that Mr. Roberto Azevêdo, Director General of the WTO, has accepted my invitation to visit Jamaica to discuss issues of mutual interest and concern, particularly as they relate to Jamaica's participation in the multilateral trading system and the role of the WTO in facilitating Jamaica's further integration into a continuously evolving global economy.

The timing of his visit will also allow for further internal reflection on the way forward for the WTO after MC10, with particular regard to safeguarding the interests of Jamaica and other small developing economies.

His schedule of engagements includes meetings with the Prime Minister, Most Honourable Portia Simpson Miller, and other Government Ministers, as well as representatives of the private sector organisations in Jamaica. He will also meet with members of the Task Force on Trade Facilitation, the body established to oversee Jamaica's implementation of the WTO Agreement on Trade Facilitation, once it enters into force. The WTO Director General will also participate in a colloquium on Dispute Settlement and other issues, to be held at the UWI Faculty of Law.

Mr. President,

The leadership role played by Jamaica at the WTO in Geneva and during MC10 in Nairobi, as well as the upcoming visit of the WTO Director General demonstrate the commitment of Jamaica to the multilateral trading system and underlines our understanding of the linkages between trade and national growth and development.

Given the significant role that trade is expected to play in the attainment of the UN 2030 Sustainable Development Goals, we remain hopeful that a breakthrough in the DDA can still be reached in the post-Nairobi negotiations in Geneva in the weeks and months ahead.

I thank you.