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**Committee on Trade and Development
Special Session**

**REPORT BY THE CHAIRPERSON OF THE COMMITTEE ON TRADE AND DEVELOPMENT IN
SPECIAL SESSION, AMBASSADOR TAN YEE WOAN (SINGAPORE),
TO THE TRADE NEGOTIATIONS COMMITTEE**

1.1. I am making this report as Chairperson of the Special Session of the Committee on Trade and Development (Special Session) on the work undertaken during 2017. The report is factual and is being made under my responsibility.

1.2. I will not repeat most of what had already been presented in my last report to the Informal TNC and HODs meeting on 24 October 2017, and which was subsequently circulated in document JOB/GC/145. The main focus of today's report is on the Special Session's work since my October report.

1.3. Members will recall that in July 2017 the G90 tabled textual proposals on ten special and differential treatment (S&D) provisions (JOB/DEV/48-JOB/TNC/60). These proposals were formally introduced at the formal meeting on 19 July 2017. Thereafter, the Special Session was reconvened nine times and many of these sessions, as appropriate, were converted into informal open-ended format to allow for open and frank discussion on the proposals. In addition, discussion also proceeded in bilateral and plurilateral consultations involving Members in different configurations.

1.4. Thus far the Special Session has completed two rounds of substantive readings of the proposals.

1.5. The first reading of the proposals undertaken at the two meetings held in September this year witnessed substantive engagement. Though positions remained deeply divergent, Members posed questions and sought clarifications from the proponents with a view to better understanding the concerns they had with the existing WTO provisions in addressing the challenges they faced. The written comments and questions posed by Members were circulated to all Members by the Secretariat so as to facilitate meaningful discussion on the proposals and, in particular, for the proponents to come back with appropriate responses.

1.6. In my efforts to develop a clear work plan in the lead up to MC11 and with the objective of identifying potential landing zones, I undertook a series of informal consultations with the objective of seeking Members' guidance on three points.

1.7. First, how Members saw the work in Special Session proceed in the remaining time to MC11 and whether they had any suggestions that could help harvest tangible outcomes? Second, what alternative approaches could be explored to ensure meaningful progress in the Special Session's work? Third, did Members sense or identify any areas of convergence? In addition, whether they had flexibility for any one or more proposals? If yes, which proposal(s)?

1.8. These consultations were constructive and witnessed a frank exchange of views. However they did not yield a clear road map identifying a landing zone for the Special Session's work ahead. Fundamental differences and wide gaps in positions remained as detailed in my report of 24 October.

1.9. At the two reconvened meetings of the Special Session in October, the G90 replied to the questions/clarifications on the proposals.

1.10. The Special Session continued working on the issues before it in the five further meetings held on 9, 14, 16, 20 and 23 November. It concluded its second substantive round of discussion on the proposals at its meeting on 16 November.

1.11. Overall, there has been a varied level of engagement on the various proposals during the two rounds of substantive readings. Where there has been engagement, it has helped Members better understand each other's viewpoints. For some other proposals, in particular the industrialization cluster comprising the three proposals relating to the Agreement on TRIMS, GATT Article XVIII A and C, and the Agreement on Subsidies and Countervailing Measures, the level of engagement fell short of what the proponents thought they deserved. One Member repeatedly stated that it would not engage on the basis of the current approach and the proposals on the table.

1.12. Regardless of the level of engagement, my assessment of where we stand was that the fundamental differences in positions remain deep and wide, and Members were no closer to bridging these differences. The proponents continued to maintain that the requested flexibilities were needed for fostering industrialization, promoting diversification and facilitating structural transformation in their economies. On the other hand, some Members contended that agreeing to these flexibilities would give a wrong signal that multilateral trade rules did not foster development. Any solutions to the issues raised in the proposals must be realistic, based on facts, and that deviations from rules should only be considered in exceptional circumstances and for only those who really need them. The differences with respect to "differentiation" also remained.

1.13. With no clarity on the way forward and with the objective of facilitating an honest assessment on where we stood in our work and to solicit Members' views on the way forward, I had posed the following questions to Members: (i) what should we do to make progress in the remaining time available? (ii) what do we see ourselves, and our Ministers doing on this dossier in Buenos Aires? and (iii) how can we better prepare ourselves for Buenos Aires?

1.14. In response to my questions, the proponents indicated that they wanted work in the Special Session to be carried on towards a potential outcome on S&D at MC11. They also wanted Ministers to actively engage on these proposals in Buenos Aires. They strongly believed that ministerial engagement would allow for a constructive ministerial discussion on how developing Members, in particular LDCs, could be better integrated into the multilateral trading system. Some non-proponents shared the proponents' views to continue efforts to find landing zone for MC11.

1.15. On the other side of the fence were some Members who felt that the discussion on the proposals had reached its limit and any further work on the same proposals or subsequent revisions to them, would, at best, be a repetition of what had already been flagged. Given the paucity of time and the charged dynamics in the run up to MC11, it would only deteriorate the quality of discussion and lead us nowhere. They viewed that transmitting "unripe" proposals to Buenos Aires for ministerial engagement was not the right course of action. Some Members were of the view that convergence on these proposals would not be possible either at MC11, or even thereafter. Some Members were prepared to continue discussion even though they did not believe convergence would be possible on the basis of the current approach and proposals.

1.16. At the Special Session meeting held on 20 November 2017, while wrapping up the discussion, I indicated to Members that I would hold informal consultations to achieve clarity on the way forward. These consultations were held on 22 November 2017. The G90 reiterated the importance of Ministers engaging in a discussion at Buenos Aires on S&D issues, which the Special Session had been discussing for a long time at the technical level with little results to-date. They expressed a strong view that any discussion by Ministers should be based on the ten proposals that Members had been discussing since September this year. They also stressed that the G90 proposals must be accorded the same treatment as that which would be accorded to other proposals/issues on the table across the house.

1.17. An equally strong view held by some other Members was that if at all ministerial engagement was necessary, it might be more constructive for Ministers to discuss broader political

trade and development issues instead of the ten proposals. Some were against the Special Session convening in Buenos Aires. One Member, in particular, was also categorically against the Special Session transmitting the proposals to MC11 for Ministers' consideration. It was however also acknowledged that it was the prerogative of any Member to table any matter for consideration at the Ministerial Conference.

1.18. Although my consultations on 22 November 2017 proved useful in generating a deeper discussion of the three process-related questions that I had posed, there were no clear answers to any of them. There was broad agreement that what Members were trying to grapple with were important issues. Members continued to stick to previous positions reflecting wide differences in perceptions on how these issues could best be tackled and appropriate solutions could be found. However, I did not hear any Member objecting to a discussion by Ministers at Buenos Aires on development issues.

1.19. The Special Session reconvened on 23 November 2017 at which I provided a factual report of the work undertaken in the Special Session along the above lines, and in particular on the informal consultations held on 22 November on the process-related issues in the remaining days to, and at MC11.

1.20. After I had presented my report, the G90 said that they intended to submit the ten proposals to Ministers for their action at MC11. Several Members of the G90 intervened and highlighted their concerns and perceived imbalances in the multilateral trade rules and hence the need for revised S&D, particularly for the weaker Members. In recounting how in the last 16 years they had come down from 88 original S&D proposals, to 25 in 2015, and then only to 10 in 2017, they said they were disappointed at the lack of interest by some Members to address the concerns and challenges that developing countries and the LDCs faced in their efforts to better integrate into the multilateral trading system.

1.21. The G90 members also said that there was a disconnect between what the Ministers had mandated in paragraphs 5, 31 and 32 of the Nairobi Declaration and what Members were doing in the Special Session. The proposals should be sent to Ministers at Buenos Aires because the technical debate in Geneva had not yielded any outcome. Ministerial engagement was necessary for a political decision on this dossier. They emphasized that the S&D proposals should receive equal treatment (parity) with other proposals in other areas being considered in the house. Several non-G90 Members also spoke in support of the proposals and for their onward transmission to Ministers at Buenos Aires.

1.22. One Member also sought clarity on a number of process-related issues and asked questions about the appointment of a Facilitator, the schedule of meetings of the Special Session in Buenos Aires, and the path to a Ministerial Decision.

1.23. In my concluding remarks at the Special Session on 23 November, I encouraged Members to use the remaining time in the lead up to MC11 to reflect and discuss, among themselves, as to how to prepare for a constructive ministerial engagement on this issue in Buenos Aires.

1.24. Subsequently in response to my request, a number of Members suggested that it would be useful to provide broad questions on trade and development to the Chair to help structure Ministerial engagement in an efficient and meaningful manner.

1.25. Accordingly, in my capacity as Chair of the Special Session, and in the interest of transparency and inclusiveness, I had sent out a fax to Members on 24 November requesting them to provide questions, if any, on broad trade and development issues that can frame a ministerial discussion, through the Secretariat by cob Monday, 27 November 2017.

1.26. In response to my request, some Members sent their proposed questions to help frame discussion by Ministers on trade and development at MC11. In the interest of transparency, I intend to circulate these questions to Members and, time permitting, I hope to convene an informal open-ended meeting for Members to exchange preliminary views, if any, before Buenos Aires.

1.27. Throughout this work in the Special Session, as Chair of this negotiating body I have pursued the objective of encouraging constructive engagement which could facilitate tangible deliverables at MC11. We are still a long way from bridging the differences that exist. However, I continue to hope that the Ministerial level discussions on trade and development issues at Buenos Aires would help us in better understanding the issues on the table and thereby provide guidance for improving our work in Geneva on this important dossier.
