

REIWG II, Hong Kong
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ABAC visit to the WTO in Geneva
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Speaking notes

[SLIDE 1: ABAC visit to Geneva]

I was fortunate to be part of an ABAC delegation that visited Geneva recently.

This was ABAC's first visit since 2019.

Brett O'Riley led the delegation, alongside Michaela Browning of ABAC Australia, Kok Ping Soon of ABAC Singapore, Monica Whaley of ABAC USA, and my fellow staffers Jason Lee and Denise Khng of ABAC Singapore.

We were also very lucky to be joined by Tan Sri Dr Rebecca and Benjamin Tan. Their presence was an excellent demonstration of the close and mutually supportive relationship between ABAC and APEC, one of our key messages for the visit.

We had a very substantive programme. We met with the WTO Director-General and two deputies; Ambassadors from APEC economies, the EU and Pacific, the heads of various negotiations; the ICC and the World Economic Forum. The New Zealand Mission in Geneva organised the visit, helped by Australia, Singapore and the USA – it was true APEC collaboration in action, for which we're very grateful.

During our meetings, we discussed the outcomes from the recent WTO Ministerial Conference, MC13, and the future of the WTO. We emphasised ABAC's support for the system, and for ambitious reforms. We also said that we saw the plurilaterals as a key way to achieve this. We stressed to APEC Ambassadors how important it was that *they* worked better together. And in all our meetings, we argued for a more prominent business voice.

Our visit took place six weeks after MC13. The outcomes of the Ministerial could most charitably be described as "modest". There was one very important deliverable: agreement to the temporary extension of the E-Commerce Moratorium. You may recall that this Moratorium has been in place for 30 years, and prevents the use of tariffs on digital trade. If WTO Members had *not* agreed to an extension, they would in effect have given the green light to introducing new trade barriers.

On the other hand, MC13 *failed* to deliver tangible progress on key issues including dispute settlement, agriculture, fish subsidies, digital trade and sustainability. WTO Members also failed to agree to integrate a new Investment Facilitation Agreement into the WTO rulebook. This was blocked by India, despite the fact that three-quarters of the WTO membership had negotiated it, and the rest were happy to see it incorporated.

The WTO is now in a period of serious soul-searching. One big question is over the plurilaterals, and whether one member alone should be allowed to block outcomes without just cause. Another big question is how to make progress on core issues which have been on the agenda for nearly 25 years, including agriculture, fish subsidies and dispute settlement. There was a sense that there is a small

window for action, and it's closing fast – essentially before the European summer vacation in July and a certain large election in November.

A big focus for our visit was on digital trade. There were two major issues: the E-Commerce Moratorium, which I have already mentioned, and the plurilateral negotiation on digital trade rules, the E-Commerce JSI.

On the Moratorium, it is clear that it has only a temporary stay of execution. There are overwhelming pressures from India, Indonesia and a handful of others for it to end in 2026. We made the point that removing the Moratorium would increase uncertainty for business and potentially introduce significant new compliance costs, especially for MSMEs.

Clearly, for India at least, the Moratorium is a bargaining chip, which was used very effectively to apply pressure on other issues at MC13. But there may be scope to shift others. We need to think strategically about how to persuade them to support a permanent moratorium. Many economies face very real fiscal pressures. These pressures make *any* opportunity to generate government revenues attractive. The OECD has shown that using VAT or other kinds of taxes would in fact be much more effective at revenue-raising than tariffs. There could be a role for us to help make the case for this approach.

For now, those concerned about the Moratorium are focusing on the E-Commerce JSI. The JSI is in fact meeting this week in Geneva. Their goal is to lock things down this week, with a view to agreeing a substantive conclusion by June. The JSI includes many commercially-valuable elements, including paperless trade and e-invoicing. The Convenors are also trying to get agreement to include a permanent moratorium, which could be one way to lock in tariff-free digital trade, at least for most economies. On the other hand, the JSI is unlikely to include the most sensitive issues, of data flows and source code – but these may be addressed in a subsequent negotiating phase.

That said, even if there is a conclusion in June, the JSI outcome may not end up being incorporated into the WTO rulebook, given the question-mark over *all* plurilaterals. It will be important for ABAC to deliver some strong messages in support of the JSI, the Moratorium and plurilaterals – both in our press release this week and in our Letter to MRT.

In all our meetings in Geneva there was real enthusiasm for a stepped-up role for business. At present, there is no systematic or structured engagement for WTO *members* with business, other than a small group that advises the Director-General directly. There was considerable interest in the APEC model. We suggested that something like this could work in the WTO, but some are still reluctant to see business involved. We floated the idea of a “Business Week” alongside the Public Forum. This is worth exploring further. We could use this to provide feedback on implementation challenges, and to support capacity-building for MSMEs. We could also use it discuss emerging trends in the modern economy, to help keep trade rules relevant.

The delegation came away from Geneva with a strong sense that the visit had been both timely and worthwhile. APEC Ambassadors warmly welcomed the visit. One described the roundtable discussion we had as “a rich conversation on things that really matter”. We also came away convinced of how critical the WTO is to our region. The alternative is unthinkable, especially for small businesses and small economies. There is clearly value in a stronger business presence in the process. That said, how to achieve this is not easy – either on the Geneva side, or in our own ability to find the time and resource needed.

Lastly, on the substance, while the core negotiating agenda will *always* matter, it was also clear how important the plurilaterals are. They deal with issues that are central to our own agenda, including digitalisation, sustainability, inclusion and investment. So that question over how to include plurilaterals in the core WTO architecture *really* matters.

Let me leave you with some links about the valuable work that the MSME Informal Working Group is doing. They have developed an excellent portal of resources, and the Chair encouraged ABAC to share its own ideas there, and to stay in touch with the Group. They have also developed a “Trade Game”, which is a really fun way to explain and explore the challenges for MSMEs in trade – maybe a clever approach that we could think about using too.

In closing – we would like to recommend that ABAC continues strongly to champion a permanent E-Commerce Moratorium, including in the outputs from this meeting. We would also recommend that ABAC continue to advocate for business engagement in the WTO, including potentially a new “Business Week”.

Thank you.