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MC13 collapse – Developing countries successfully push back against radical new WTO expansion agenda, but outcome fails developing countries as well

Final Outcome Analysis, Civil Society Quotes on Fish, Ag, E-Commerce & More

Abu Dhabi — A ministerial marked by unprecedented repression of civil society has ended in paralysis as it fails to address the multiple economic, climate, and food crises facing billions of the world's people. Civil society has predicted this failure ever since the World Trade Organization (WTO) was created in 1995.

This Ministerial should have addressed developing countries' urgent proposals for flexibilities from onerous WTO rules so that they can use trade for development and engage in industrial policies for structural transformation, and ensure food security through public stockholding. These mandated issues could have delivered for poorer countries and workers worldwide who have paid the price for the WTO's harmful neoliberal rules. So could an end to the ban on border taxes on Big Tech.

Instead, developed countries tried to use the MC13 to remake and expand the WTO to serve their corporate interests even further. The MC13 was billed as a "reform ministerial," and the Director-General aided and abetted this agenda. But the bulk of WTO Members were not willing to endorse the agenda to *deform* multilateralism and abrogate rules to expand corporate influence over the WTO and domestic policymaking.

Even intensive horse trading and pressure over the months leading into this ministerial and in Abu Dhabi this week failed to produce a semblance of an outcome. Predictably, developing countries that insisted the WTO comply with its own rules are being blamed, when it is the organisation itself and its leadership of Director-General Ngozi Okonjo-Iweala that are bankrupt.

We need to see this outcome in a broader context. The WTO has limped on from crisis to crisis, never addressing the way its rules fundamentally privileged corporate profits in the Global North. Those who have consistently paid the price are poorer countries and their peoples in the Global South, and exploited workers around the world.

This is, of course, not the end of the WTO. The fights here will go back to Geneva, with the powerful countries pushing their agenda. The Director-General will doubtless continue to bypass the WTO rule-book in the name of "reform by doing", and to privilege non-mandated issues over long-standing demands to address developing countries' priorities.

Civil society experts share analysis and opinions on a range of issues below. Quotes from earlier in the ministerial are available [here](#).

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Agriculture

“MC13 marks, yet again, the astounding failure to deliver either the permanent solution on public stockholding, or the Special Safeguard Mechanism, or disciplines on cotton subsidies. Global South countries have been demanding outcomes on these mandated issues in order to get the needed policy space to meet their food security and livelihood concerns. Many of these mandates are much more than a decade old. There is nothing for Net Food Importing Developing Countries and LDCs either. While Nairobi mandates on these issues will continue it is clear that the WTO is massively trailing behind on commitment to deliver on its promises”

– *Ranja Sengupta, Senior Researcher and Legal Advisor, Third World Network*

“Agriculture negotiations on public stock holding at MC13 ended up unsuccessful. These negotiations happen at a moment of huge turmoil in agriculture where farmers protest in India and in Europe, asking for more policy space. Once again, the WTO has shown its inability to answer farmers’ demands from the Global South. From a food security perspective, this is dramatic because it leaves millions of farmers without prospects for improving their livelihoods.

– *Jonas Jaccard, Policy Officer, Humundi, Belgium – contact information redacted in this online version*

For more information:

- [Agriculture and food security in MC13: Going forward or backward?](#)
- <https://ourworldisnotforsale.net/agriculture>

Fisheries Subsidies

Negotiations on fisheries subsidies were mandated to prohibit certain subsidies that contribute to overfishing and overcapacity, while maintaining appropriate and effective special and differential treatment for developing countries. This week some smaller states

have exercised their voice and argued for critical disciplines on fisheries; however, these were not adopted into the updated text.

“Negotiators this week had an opportunity to make meaningful cuts to subsidies for large-scale distant water fishing fleets; yet the big fishing nations refused to accept any responsibility to take meaningful cuts. The proposed text was toothless and was right to be rejected.”

– *Adam Wolfenden, Deputy Coordinator, Pacific Network on Globalisation*

“Indonesian small scale fisherfolks are very proud of the collapse of the proposed fisheries subsidies agreement that would have prohibited subsidies to small scale fisherfolks. The proposal being discussed only allowed subsidies for small-scale fishers if the WTO has been told about it. Had this proposed agreement been approved it would have disrupted Indonesian food security in the fisheries sector, which has been provided by small scale fisherfolks.”

– *Fikerman Saragih, Deputy of Knowledge Management, The People’s Coalition for Fisheries Justice (KIARA), Indonesia*

“For small-scale fishers, these negotiations have constantly represented a threat to our livelihoods and ability to fish. While there had been some improvements to protect artisanal fishers from the prohibitions in this text, it wasn’t enough to justify a deal,”

– *Olencio Simoes, General Secretary, National Fishworkers Forum, India*

“Also the second WTO agreement as it was suggested, was not contributing to saving the oceans fisheries stocks. The UN Sustainability Goal 14.6 asked the WTO to do: to remove such subsidies that contribute to IUU fishing and to reduce overcapacity and overfishing. Instead coastal and artisan fishers in developing countries, who are not responsible for the depletion are being disciplined. The distant waters, large, and trawling vessels, and the big subsidisers may “document” that their fishing is sustainable, and they can go free. For the oceans fish stocks and coastal societies, I predict that the WTO has developed only a notification and double reporting agreement, not saving anything but increasing administrative costs. Now members in the WTO have a chance to correct that».

– *Helene Bank, Special Advisor, Forum for Development and Environment*

For more info, www.ourworldisnotforsale.net/fish

Moratorium on customs duties on electronic transmissions

The controversial moratorium on customs duties on electronic transactions has been renewed, to expire at the next Ministerial Conference set for Cameroon. That cannot be described as a victory for opponents of the moratorium, as the Ministers could still decide to renew it at the MC14.

“It is extremely disappointing that the WTO has once again chosen to extend tax breaks for the global operations of the most powerful corporations of the world, Big Tech. This not only denies the much-needed tax revenue for developing countries, but also curtails their policy space for undertaking their urgently required digital industrialisation, if they are to escape digital colonisation.

In any case, developing countries should not be bound by this moratorium in putting new taxes on various kinds of digital services in different sectors – because these are all ‘specific sectoral digital services’ (like Uber is in the transport sector) and not merely just ‘electronic transmissions’ which alone is covered by the Moratorium.

Meanwhile, we welcome the mention of ‘digital industrialization’ in the text on E-commerce Work Programme, which is a subject requiring urgent serious work.”

– *Parminder Jeet Singh, Coordinator, Just Net Coalition, Global/India*

“Precluding the ability of countries around the world to tax Big Tech imports makes no sense. The sector is still developing and many countries are yet to determine whether and what kinds of border taxation it needs. It is premature for the WTO to have a position on this issue. Even the EU is in search of digital sovereignty and is struggling to nurture truly independent domestic technology businesses without protection. It is a losing strategy for most countries in the world to put a moratorium on such protection in an era where Big Tech threatens businesses both in the US and abroad, and it is unfortunate that this was the strategy that was arrived at in the WTO.”

– *Jai Vipra, AI Policy Researcher, IT for Change*

“Once again, the moratorium is renewed, preventing developing countries from discussing their convenience in the digital industrialization program they want to develop. It is really a pity that a new opportunity has been lost to open the door to discuss how to achieve more diverse technologies in a technological world monopolised by a handful of corporations. This time more countries opposed, let's hope that the opposition continues to grow in the face of MC14.”

– *Sofia Scasserra, Associated Researcher, Transnational Institute*

For more info:

- [Fact Sheet: WTO Moratorium on Customs Duties on Electronic Transmissions](#)
- [Understanding the Moratorium on Customs Duties on Electronic Transmissions](#)

Work Programme on E-Commerce

The moratorium is just one of the e-commerce issues, even though it attracted the most attention. A long-standing work programme has also been renewed. The Ministerial Decision MC13 agrees to ‘deepen the discussions on e-commerce related topics as identified by the Members building on previous discussions’. That is tightly worded to refer to the existing Work Programme. It cannot, and must not, be interpreted to allow the proponents of the unmandated Joint Statement Initiative on Electronic Commerce to proceed within this Work Programme as a legitimate activity of the WTO.

“We expect the sponsors of the unmandated Joint Statement Initiative on Electronic Commerce to try to use this Work Programme to enter their text onto the formal WTO agenda. That is despite the US withdrawing its core proposals on data and source code that it has championed in this and many other negotiations. If even the US, as the home of Big Tech, recognises that these agreements put unacceptable handcuffs on much needed regulation, they pose even higher, untenable risks for developing countries. This agenda has no place on the WTO agenda. A measured, development-focused e-commerce work programme is as far as the WTO should go.”

– *Professor Emeritus Jane Kelsey, University of Auckland, Aotearoa New Zealand*

For more info:

- [Implications of digital-related issues at MC13 and beyond](#)
- [Analysis of e-commerce JSI chairs' text](#)
- [Understanding the WTO Joint Statement Initiative on E-Commerce](#)

Defeat for Investment Facilitation “for Development”

Once again, rich country members of the WTO have shown that they are dead set on expanding a house with a faulty foundation. The plurilateral agreement on Investment Facilitation “for Development” was the most controversial.

The proponents knew they did not have legal grounds to secure its adoption as an Annex 4 plurilateral agreement at this ministerial. India and South Africa made an unambiguous statement from the floor, followed by written notification from India, that there is no consensus for Investment Facilitation to even be on the MC13 agenda. Overnight, more than 35 civil society groups from around the world sent an open letter supporting the stance of India and South Africa.

Despite this, South Korea and Chile, backed by China, tried multiple pathways to secure the adoption of the agreement at MC13. Tactics included hijacking the “development” session by continuing the pretence that this is a pro-development instrument and attacking those who opposed it as anti-development. The Director-General ignored her limited mandate as an international public official, who is required to be neutral, by seeking to advance their agenda and pressure opponents to drop their objections. Although this strategy failed, she is likely to continue abusing her authority once the issue returns to Geneva.

“Many academic studies there is no concrete evidence that providing a red carpet for investment will correlate with investment entering to developing countries and LDCs. We are calling for developing countries and LDCs must be rethinking to participate in the JSI IF negotiations.”

– *Rahmat Maulana Sidik, Executive Director, Indonesia for Global Justice (IGJ)*

“We want to be clear that South Africa and India did not oppose because they were trying to stop investments, but because they needed to have policy space to regulate. It is highly inappropriate for the DG to attempt to pressure South Africa and India to change their position. The DG is supposed to be a facilitator, not to attempt to influence the outcome of the negotiations. We therefore applaud India and South Africa for standing their ground and stopped the agreement on investment facilitation”

– *Frankie Rød, General Secretary, The Norwegian Trade Campaign*

For more info:

- [Open Letter From Civil Society To The Chair Of The Mc13 Opposing Wto Plurilateral On Investment Facilitation](#)
- [WTO-illegal Investment Facilitation rejected at MC13](#)

TRIPS Non-Violation Complaints Moratorium

The failure of MC13 further highlights the WTO's inability to address the needs of developing countries. Prior to this, its failure to extend the TRIPS Decision of 17 June 2022 to COVID-

19 diagnostics and therapeutics, thereby overlooking equitable access for a potentially pandemic pathogen, already eroded its credibility. Renewing the moratorium on non-violation situation complaints merely represents the bare minimum effort from the WTO."
– *Sangeeta Shashikant, Senior Researcher and Legal Advisor, Third World Network*

Climate

Collapse of WTO's MC13 is good news for climate justice because the Abu Dhabi agenda was old free-trade-wine in new greenwashed-bottles. The IPCC reports 40% of global GHG emissions have happened since WTO was established in 1995, with WTO's export-driven economic model intensifying fossil fuels use while reducing protections for the environment and equity. If trade ministers want to help counter today's climate crisis, they should support UN climate convention commitments for the transfer of climate-friendly technologies by allowing developing countries to waive monopoly patent rights enforced by WTO's Agreement on Trade Related Intellectual Property Rights.

Too many trade ministers still see more "trade in environmental goods and services" as their main solution on offer. Given the disaster for small farmers resulting from 30 years of WTO rules on farm subsidies, and now seeing the similar disaster that would befall small-scale fisherfolk from WTO's proposed rules on fisheries subsidies, we are relieved there is no new WTO mandate to now take up fossil fuel subsidies; that urgent challenge must happen in another venue guaranteeing their equitable elimination.

– *Victor Menotti, Coordinator, Demand Climate Justice*

For more info: [Rich countries force WTO climate agenda: Justice missing for developing countries.](#)

Process and Power Dynamics

"WTO authority kept saying that the MC13 is inclusive yet they ended up handing the final text to the head of delegations just before the closing, hardly allowing time to consult with their capital before they have to agree on the text. In the name of inclusion, they are forcing many countries to ratify without properly knowing it."

– *Maruf Barkat, Director, COAST Foundation, Bangladesh*

"This Ministerial should have addressed developing countries' urgent proposals for flexibilities from onerous WTO rules so that they can use trade for development and engage in industrial policies for structural transformation, and ensure food security through public stockholding. These mandated issues could have delivered for poorer countries and workers worldwide who have paid the price for the WTO's harmful neoliberal rules. So could an end to the ban on border taxes on Big Tech. A three-year LDC transition period and a small flexibility on two out of 10 demands of the long-waiting development round will do little to rebalance deeply unfair rules.

Instead, developed countries tried to use the MC13 to remake and expand the WTO to serve their corporate interests even further. The MC13 was billed as a "reform ministerial," and the Director-General aided and abetted this agenda. But the bulk of WTO Members were not willing to endorse the agenda to *deform* multilateralism and abrogate rules to expand corporate influence over the WTO and domestic policymaking."

– *Deborah James, Director of International Programs, Center for Economic and Policy Research, United States*

Dispute Settlement

“The fundamental problem with the Dispute Settlement Mechanism is not that the most powerful country in the world lost some cases. It’s that the entire system almost always sides against the public interest and development, in favour of the rights of a corporation to “trade.” [In 46 of 48 cases](#) in which countries tried to defend their regulations based on the public interest exceptions, the WTO decided in favour of the “right to trade” over the “right to regulate.” The underlying issue is that it adjudicates over WTO rules, and the rules are not fit for the purpose of shared prosperity and sustainable development.”

– *Melanie Foley, Public Citizen, USA*

“Developing countries have demanded changes to the dispute settlement system to provide balance in the use of the system by smaller countries against large powerful Members, but these reforms have been bypassed while the United States blocks all countries from utilizing the system to address disputes.”

– *Professor Emeritus Jane Kelsey, University of Auckland, Aotearoa New Zealand*

For more info:

- [Dispute settlement reform: The informal process and the way forward after MC13.](#)
- [Commentary on the draft text of the informal discussions on dispute settlement reform.](#)

Civil Society Repression

“I am shocked and appalled by the [repression of civil society](#) going on at MC13. It has been almost impossible to do our jobs here at the ministerial because of the uncertainty over what is allowed and not. The WTO has a responsibility to ensure that civil society has the ability to be represented, and they have not taken that responsibility seriously.”

– *Frankie Rød, General Secretary, The Norwegian Trade Campaign*

There is no evidence that the WTO Secretariat has worked to ensure that civil society can participate in this process in [the ways they have for all past ministerials](#).

A [letter sent to D-G Ngozi](#) on Day One of the ministerial listing some of the disturbing incidents has still received no response.

OWINFS is a network of organizations and social movements worldwide fighting the current model of corporate globalization embodied in the global trading system of the WTO. OWINFS is committed to a sustainable, socially just, democratic and accountable multilateral trading system. www.ourworldisnotforsale.net

