

**11th World Trade Organization (WTO) Ministerial Conference (MC) in Buenos Aires - December 2017**

**Presented by Dr John Purchase, Business Convenor in Nedlac's Trade and Industry Chamber, during the 11<sup>th</sup> WTO MC Consultative meeting with Minister Rob Davies at the DBSA on 13 November 2017.**

**Good morning Honourable Minister Davies, Ladies and Gentlemen,**

Business sincerely appreciates the opportunity to raise matters with regard to the upcoming 11<sup>th</sup> WTO MC to be held in Buenos Aires, Argentina, in December 2017. Business also sincerely appreciates the open and inclusive approach followed by Government with regard to engaging on these matters, and including Business in its delegation to the 11<sup>th</sup> WTO MC.

- The World Trade Organisation (WTO) Ministerial Conference is the highest decision-making body of the WTO. The 11th Ministerial Conference (MC11) should be used effectively towards developing greater consensus on the Doha Developmental Agenda (DDA) priorities that accommodate the needs of the developing countries and Least Developed Countries (LDCs). Business agrees that the implementation of commitments made at the 10th WTO Ministerial Conference (MC10) in Nairobi in 2015, as well as those made on trade facilitation at the 9<sup>th</sup> Ministerial Conference in Bali, should remain a priority for South Africa. This was also highlighted by Business at the recent Nedlac TIC Strategic Session. In general, Business requires and is willing to engage in more robust engagement with Government in especially Trade on substantive trade matters affecting the private sector.
- Fair trading conditions can be instrumental in fast tracking the development of the less developed economies. The fairness can be achieved through the prioritization of resolving

the issues that harm the development of developing countries and LDC issues in MC11. For South Africa to get any meaningful gains, the developmental objectives and principles of the DDA should take precedence and remain a priority.

- Trade-distorting support in agriculture continues to be a threat in the global markets and hinders growth and development in both developing countries and LDCs. As a crucial sector in South Africa and the continent as an instrument to expand trade, growth of the economy and attain food security, agriculture remains one of the priority negotiation areas in MC11 for SA. Lack of consensus remains a major concern to both industry and the country as a whole.
- In terms of the proposed transparency on export restrictions, South Africa should support any steps to greater transparency in the management of export restrictions.
- Business is concerned that the proposed agreement on stockholdings for food security purposes (PSH) may hold certain risks and implications for South Africa. We need to first understand these risks and long term implications before Business can support the proposed agreement.
- Special and Differential Treatment for developing countries and LDCs should be a determinant of MC11 outcome. The same goes for the Special Safeguard Mechanism (SSM) provided to developing countries, to provide buffer against import surges and low-priced imports. The implication of supporting the SSM to South Africa's exports requires further consideration and analysis before South Africa should provide unqualified support to this inclusion.
- While it may be premature to introduce new items, such as e-commerce and investment, into the WTO negotiations, and these could divert the focus of the meetings from the existing developmental agenda, it is also essential that the South Africa government, with

its social partners, address these developments as a matter of urgency, and as decided at the recent Nedlac TIC Strategic Session. While the readiness of the developing countries to engage in negotiations in areas like e-commerce remains questionable, we need to understand that these developments are natural developments in business innovation and sophistication, and that many of our trading partners are not going to wait for developing countries and LDC's. Premature agreement on the rules based e-commerce provisions can limit the development of smaller and least developed economies, but we must be wary of using this as an excuse to growth and development. We run the risk of greater marginalisation if we do not participate in this debate constructively, perhaps using it as a trade-off on specific DDA and other ambitions we may have.

### **Concluding Remarks**

A welcome outcome in MC11 would be the one that reduces the amount of agricultural subsidies and other questionable no-tariff barriers, and offers Special and Differential (S & D) treatment provisions in various areas to developing countries as per the Doha Declaration mandate.

The expansion of the WTO work programme could be to the detriment of the existing developmental mandate, but smart positioning and options can benefit South Africa.

Regional integration and related trade negotiations remain a priority for SA. In the absence of consensus on DDA issues, the priority remains the establishment of the beneficial regional trade partnerships. But we must also not neglect potential and improved bilateral agreements with existing and potentially new major trading partners.

I thank you.