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Country report

Multilateral Dialogue Geneva



Geneva Telegram on the July meeting of the General Council of the World Trade Organization (WTO)

Dr Anja Maria Rittner

The "Geneva Telegram" deals with events in Geneva's multilateral organizations on a current topic, this time the July meeting of the General Council of the World Trade Organisation (WTO) on 22-23 July 2024, chaired by Petter Ølberg (Norway).

Early contract extension for Director General Dr Ngozi

Contrary to the original plan, a request from the African Group to confirm a second term of office for the Director General Dr Ngozi Okonjo-Iweala (Nigeria) was already on the General Council's agenda before the summer. Her contract is due to expire in summer 2025, and according to diplomatic circles, a rapid and early process should help to create 'stability' before the US elections and make the organisation 'Trump-proof'. We remember: In 2020, the Trump administration successfully blocked the appointment of a new Director-General for months after the surprising resignation of WTO Director-General Roberto Azevedo. In the end, Dr Ngozi Okonjo-Iweala was only able to take up her post in February 2021 after a five-month vacancy.

It now appears that Dr Ngozi can once again rely on her good relations with Brussels and many EU capitals, in addition to the African Group states that officially submitted the application. Dr Ngozi received much praise in the General Council for her work record to date. WTO members also emphasised that shortly before the 14th Ministerial Conference in Cameroon (expected in 2026), it is particularly important that the 'first woman and African' remains at the head of the organisation. The fact that no decision was taken is due to the fact that the agenda item was downgraded from 'for decision' to 'for discussion' shortly before the start of the meeting. This

enabled the USA in particular not to comment on the process without this being interpreted as approval. There is currently no commitment to the appointment from Washington. The discussion therefore concluded with a great deal of respect and thanks to the acting Director General, who, saving face, referred to 'still wanting to consult with her family'. It can be assumed that she is willing to run, but she also seems decidedly unwilling to take any risks. In addition to a possible acceptance of the nomination, Ngozi also left open the agenda for a possible second term in office. However, her supporters will not be bothered by this, as they are relying above all on Ngozi's charisma and personality, as well as her gift for shining a positive light on the WTO, interacting at a high political level and skilfully managing high-level conferences.

The fact that the procedure has not yet been initiated may ultimately prove to be sensible. Because at this point in time, it would have embarrassed those countries that had not expected the nomination of candidates until autumn and could have imagined a different candidacy. They would now have had to present any alternative within four weeks and in the middle of the summer break.

Fisheries subsidies: the brakes are still on even after MC13

The members of the World Trade Organisation had set themselves the ambitious **goal of finally concluding the basic agreement on fisheries subsidies** adopted in 2022. After this project had

to be postponed at the 13th Ministerial Conference (MK13) in Abu Dhabi - negotiations broke down in the early hours of the last day of the conference - a final decision was to be made in the General Council following brief preliminary negotiations.

There was a sense of déjà vu when Iceland's ambassador and chairman of the fisheries negotiations, Einar Gunnarsson, first recommended the agreement for decision by the General Council, only to switch **back to discussion mode three days before the meeting** when fundamentally opposing proposals from the Indian delegation appeared on the agenda¹. They were tabled for discussion at the same meeting, which in itself was a strong sign. In addition, other relevant delegations in small group discussions and consultations were probably also (too) critical of the current draft. This meant that a decision by consensus was out of reach at an early stage, which led to a meeting without any new findings but to much regret. However, as no negative decision was taken ('failure'), the Chairman retains all options for deciding how to proceed in the autumn.

India once again made astronomical demands, including a 25-year moratorium on subsidies for deep-sea fishing and equally long transition periods for developing countries, which in practice is particularly relevant for those 'emerging economies' that are neither among the least developed countries (UN LDC status) nor fall under the no-objection threshold². Critics argue that such exceptions would undermine the effectiveness of the entire agreement. India had already put up the greatest resistance to the so-called 'Fish 2 Agreement' in Abu Dhabi and apparently continues to see itself as unable to implement regulations on its fisheries subsidies. It believes that the agreement puts it at a disadvantage compared to other WTO members.

The draft treaty submitted for "discussion only" provided for a transitional period of 10 years. As a result, this negotiation once again came to nothing. Many want talks on the second part of an international agreement, the ban on harmful fisheries subsidies (UNSDG 14.6), to be resumed after the summer. Although a decision before the 14th

WTO Ministerial Conference in Cameroon, expected in 2026, could be difficult to realise.

Friendly but inconclusive consultations on future agricultural negotiations

After the negotiations on a renewed, **joint commitment to the continuation of the WTO agricultural negotiations** at MK13 got stuck in the negotiating mills, this issue has been pushed forward in recent months, particularly by Brazil. It has now also been debated and decided in the General Council: The paper, which had received some fine-tuning in recent weeks, was ultimately rejected for various reasons. It was **striking that many African countries did not want to endorse the 'Brazilian' paper**, even though the issues of food security, agricultural subsidies, market access, export regulations and fair competition conditions are very important to them, and they have a strong interest in reform negotiations. Even though the tone of the meeting was largely perceived as friendly, no agreement was reached here either due to India's unilateral commitment to the solution for 'subsidies for public storage' and Russia's rejection of the passages on export restrictions (context: sanctions). In future, the discussion is therefore likely to be held again in the relevant technical committee. There, the differences between developing countries and industrialised countries, but also within the developing countries with their divergent interests, have traditionally been particularly controversial, passionate, and unfortunately, have clashed without result for years.

New members - and new plurilateral agreements?

At the Ministerial Conference in February, the Comoros and East Timor were ceremoniously welcomed by the WTO as proud members, number 165 and 166 respectively. Having submitted all documents on time, nothing stands in the way of their formal final accession in August 2024. The General Council also discussed the integration of the 'Investment Facilitation for Development Agreement' (IFD Agreement) into the WTO rules. The agreement, which has been endorsed by

¹ Read the proposals here: [WT/GC/W/945, TN/RL/W/282](#) and [WT/GC/W/946, TN/RL/W/283](#); [WT/GC/W/947](#); [TN/RL/W/284](#).

² The so-called 'de minimis' rule states that countries whose total share of marine catches does not exceed 0.8 per cent are exempt from the ban.

around 120 countries, has been the subject of final negotiations for over a year.³ However, as the **IFD Agreement is not a multilateral agreement** and is not of a historical nature, it requires the consensus of all WTO members for inclusion in the so-called 'Annex 4'. South Africa, Turkey and India have consistently opposed this with very fundamental, systemic objections for some time, so that formal inclusion in WTO law has already been cancelled several times. The regret expressed by many participants in the initiative, including the European Union, did nothing to change this.

The plurilateral agreement is intended to create a fair, transparent and efficient investment environment so that developing countries can better benefit from 'global investment flows'. It aims to promote transparency, simplify administrative procedures and, above all, facilitate access to foreign direct investment. China in particular expects advantages as a potential donor, and therefore understandably fought the hardest for the agreement and its recognition as 'WTO law'.

Institutionally, a WTO committee for investment promotion is to be set up, which would certainly affect the organisation as a whole. Technical assistance and capacity building, responsible business

behaviour and anti-corruption, regulations on the disclosure of confidential information, general and security-related exemptions as well as provisions on dispute settlement are also part of the project.

Decisions of the Council

The Council decided without discussion to adopt amendments to the schedule of concessions using the database of consolidated tariff schedules (harmonised system draft decision (G/C/W/846) and to adopt a summary report on a work programme from the first half of 2023 on specific aspects of the Animal and Plant Health Treaty. Both topics are of a decidedly technical nature and were discussed in advance by the specialised committees and recommended for adoption.

Discussions around TRIPS did not resurface prominently in the discussions.

The (necessary) reform of the partially dysfunctional WTO dispute settlement system is also currently playing a minor role on the agenda. However, the Council will meet again in mid-October to discuss and hopefully decide on old and new issues.

³ Find the proposal here: [WT/GC/W/927/Rev.1](https://www.wto.org/press/pr/2023/pr23-1001.htm)



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Konrad-Adenauer-Stiftung e. V

Dr Anja Maria Rittner

Research Associate Multilateral Dialogue Geneva

European and international Cooperation

anjamaria.rittner@kas.de



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