

Making plurilateral negotiations support WTO

WTO-Geneva, 30th September 2021, Session #52, Room W, 11.30-12.30 hrs.
Centre for Socio-Eco-Nomic Development, CSEND, Geneva

Concept of the Session and Panelists

This session focuses on the sub-theme “Strengthening the Multilateral Trading System”. The panelists assess how plurilateral agreements and plurilateral initiatives could be fully multilateralised or remain plurilateral outside the WTO context.

The panel builds on a related panel which was organized by CSEND in 2012 and which had a strong impact on the discussions about the relevance and impact on the trading system of plurilateral agreements and plurilateral initiatives. Since then, world trade has evolved towards more complexity exacerbated by the impasse of the Doha Round and the growing diversity of global trade resulting in a push by many leading members to create solutions outside the WTO system as for instance through FTAs and RTAs. A few key points about plurilaterals:

Plurilateral negotiation and plurilateral agreements are a sub-variety of multilateral negotiation where a minority of members of a multilateral body agrees to a deal which they hope will be accepted by the rest of the members at a later stage (later multilateralization).

The *WTO Agreement* establishes a set of disciplines related to plurilateral agreements. However, the link between plurilateralism and multilateralism needs to be analyzed from a legalistic as well as from a political perspective in order to delineate the linkages between the two kinds of negotiation approaches.

Plurilateral agreements can be concluded by 3 or more WTO members and cover trade issues that are labeled WTO *plus*, *extra* or *minus*. They can be adopted within the WTO framework as well as outside the WTO context. Plurilateral trade agreements could be “preferential” agreements or agreements based on the MFN principles. The combination of these features, in conjunction with the political support of WTO members, determines the potential impact of plurilateral trade agreements.

Future additional plurilateral trade agreements negotiated within the WTO context could bring more transparency to the WTO system and third parties’ rights would be better protected since the WTO dispute settlement procedure would remain available to member parties.

In contrast, if a plurilateral agreement is adopted outside the WTO framework, other WTO members need not be included. Negotiations in this case would not include participation of other WTO members not party to the plurilateral agreement. It would then lead to the creation of a “soft law” since a plurilateral agreement outside WTO would not have the same legal and political weight and could not aspire to be equal to an “international standard”.

A plurilateral trade agreement within WTO that extends MFN benefits to non-treaty WTO members would avoid trade distortions. Conversely, if a WTO based plurilateral trade agreement is kept as a preferential agreement (non-MFN), it would avoid free-riding by non-members and thereby provide an incentive for other WTO members to join the plurilateral agreement thereby limiting possible economic harm of a restricted plurilateral agreement.

Depending on the features of a plurilateral trade agreement to be adopted (inside/outside of WTO and with/without MFN principles), plurilateral trade agreements can offer different comparative advantages or disadvantages compared to the traditional multilateral trading system of the WTO.

Several of the speakers have done research on this topic, published articles and participated in discussions within the WTO as well as outside.

Speakers and the audience are invited to ponder the following questions:

1. To what extent is it possible to “multilateralize” plurilateralism today (20 years into the Doha Round Negotiations with no agreement in sight and increasing numbers of FTAs/RTAs)?
2. What are the different “options” to negotiate plurilateral agreements (with or without MFN)?
3. What are the implications of plurilateral agreements for the multilateral trading system (Leading to more integration or fragmentation of the trading system)?
4. Besides Services, Environmental Goods, Investment, could other trade areas be negotiated through plurilateral approaches? If so, which areas?
5. What are the strategies and tactics available to developing and least developed countries in the negotiation of plurilateral agreements?

Abstract of the Session

This session will focus on the sub-theme “Strengthening the Multilateral Trading System”. The panelists will assess how plurilateral agreements and plurilateral initiatives could be fully multilateralised or remain plurilateral outside the WTO context and what impact either option would have on the future of the WTO.

What impact would either solution (more plurilaterals or multilateralizing of plurilaterals) have on the trading system and on society? Would integration of new plurilaterals (TISA, EGA, IFA) into the WTO lead to more member countries availing themselves to more Cross-sector concession making which in turn could make the WTO more stable and more fitting to face the challenges of the growing complexity of the world trading system?

Would the WTO become a more inclusive, multistakeholder, sustainable organization organization if plurilaterals were multilateralized or would the trading system become more fragmented without such integration of the plurilaterals and of the WTO+ features of FTAs/RTAs?

Panelists

- Mr Stuart Harbinson, former Trade Representative of Hong Kong to WTPO, then senior WTO official, Chief of Staff to DG Supachai and later Special Adviser to DG Pascal Lamy
- Mr. Hamid Mamdou, ret. Former Head of the Services and Investment Division at WTO, now with King & Spalding, Geneva
- Professor Peter Draper, Executive Director: Institute for International Trade, University of Adelaide, previously with SAIIA, South Africa
- Mr. Pradeep S Mehta, Member of the CII’s International Trade Policy Council. Secretary General, CUTS, Jaipur , India