

# Hype and Hypocrisy in WTO

## Bali experience and preparation for future

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*Today, 14<sup>th</sup> December, is the Martyred Intellectuals Day. We commemorate the great intellectuals of this country who were kidnapped and killed on this day in 1971 and we express our hatred for those who killed them to make the nation disabled. We anticipate the trail for the war criminals to carry on to establish justice.*

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Dear Media friends,

We invited you in this press conference to deliver our observation on what happened in the 9<sup>th</sup> WTO ministerial in Bali and our recommendations on what the least developed countries like Bangladesh should do in future to you so that the concerned authority of Bangladesh government are informed. We express our gratitude to you for being present in the press conference in spite of such turmoil of the country.

### 1. The way Bangladeshi CSO worked in Bali

Inside the WTO ministerial three of our leaders actively participated namely Rezaul Karim Chowdhury of EquityBD invited by OWINFS (Our World is Not for Sale), a network of world CSO, Badrul Alam of Bangladesh Krishok Federation invited by Indonesian People's Alliance and Syed Jahangir Hasan Masum of Coastal Development Partnership invited by Garak Lawan (End WTO). We tried to send 4 of our daily updates from the center to the media friends as well as the CSO in Bangladesh everyday. We have participated in each of the protest program run inside the ministerial. We kept regular communication with the Bangladeshi media friends who were accredited and participated in the WTO ministerial in Bali.

### 2. Food Security is accepted in WTO for the first time

Due to India's uncompromised position, for the first time in the history of WTO, Food Security has been included in the AOA (Agreement on Agriculture). Therefore, from now on the member countries will be able to cross the subsidy limit imposed by WTO by giving incentive in buying food grains from the market, making public food stock and distributing the food items in a very low and affordable price to the poor. USA and other rich countries have been opposing this issue accusing it to distort the food market of the multinational big agro companies. However, there will be no objection on this issue until a permanent decision is taken. At least the next to ministerial could go with this. According to the WTO rules, it won't stop until every member is unanimously agreed on it.

We do consider this as a great achievement in view of the right to food of the poor in this world. That's why a good number of LDC supported India except Bangladesh. We don't think Bangladesh did the right thing. Being a food importing country Bangladesh could have supported India's proposal as it goes with the interest of the least developed countries. This position of Bangladesh is criticized in the ministerial place and

many thought that Bangladesh, in a way, supported the rich countries.

### 3. Is the LDC Package really achieved?

Bangladesh along with many LDC (Least Developed Countries) led by Nepal have been working on the package. This package includes:

- Duty Free Quota Free Market Access
- Flexibility in Rules of Origin
- Reduce subsidy on cotton by the rich countries in favor of African cotton producing LDC.

It was declared that the LDC has well received the package. But all of the outcomes are: a recommendation for more enhance market access for DFQF; every country will have their own Rules of Origin, however, it is only requested to provide highest possible facilities; and different organizations are requested to give incentives to the cotton producers in Africa.

And those are not more than just a declaration without any legal bindings. The trade negotiation committee will work on this along with some other issues according to the paragraph 1.11 of the last day's declaration. That means the LDC including Bangladesh need to work more on this in the coming days.

There was a buzz in the ministerial place that developed countries wanted LDCs not to support India in exchange of the LDC Package. It was also said that India was the one for whom the entire Bali agreement including LDC Package was withheld. This is how the developed countries deceive and create division between developing and least developed countries.

### 4. Trade Facilitation for whom? Deception of Aid for Trade

The only legal binding from Bali agreement is the LDC need to modernize their infrastructures for customs and other import facilities. The CSO urged not to impose this legal binding over the LDC for Trade Facilitation. Because these under developed countries have more priority to invest in their public services like health and education instead of import facilities, which, in fact, facilitates the trade of multinational companies. Why should they do that? They can consider it only if the developed countries provide financial assistance in this purpose for their own interest. But unfortunately the LDCs didn't oppose it as expected. The western media said with a reference of an US company that this facility would create a trade of 1 trillion dollars and a huge

employment. But importantly, there is no certainty that it will happen in the least developed countries.

It was said that the WTO would increase the trade in the developing countries but, in fact, it reduced by 4% instead because the supply side for the industrialization in these countries is not so developed. So, the fact is, none got the Aid for Trade as promised by the WTO. It remained a fuissever after.

5. How successful was the Bangladesh delegation without a political leader in keeping the public interest? The Trade Secretary led the Bangladesh delegation in the WTO MC9. The absence of minister or equivalent actually weakened the country's position in the trade talk where normally the highest policy makers from different countries. It is easier for a minister to talk, build relations and negotiate with others in this kind of high level trade conferences.

USA withdrew their GSP facilities and EU imposed some conditions in trade. If the Trade Minister of Bangladesh were present there he would be able to negotiate with them in this regard. Bangladesh also could decide whether to support the Indian proposal on Food Security or not.

The best example of how the political leadership and on the spot decisiveness can play an effective role is set by Cuba on the last day. The Cuban delegation raised their issue of Non Discrimination policy of WTO is not being followed in the Trade Facilitation. The US imposed trade embargo over Cuba is still on. This is discriminatory and conflicting with the WTO policy. The MC9 extended to another 24 hours to settle the argument. The US delegation had to sit with the Cuban counterpart separately to figure it out. And the outcome is, it was included in the Bali declaration and was promised to solve on this basis. Couldn't we take opportunity of this kind of trade diplomacy to achieve our purpose?

## **6. Is LDC package a weak deal? What are the post-Bali issues?**

We don't believe the LDC Package reflects the interest of the people of least developed countries considering the Doha Development Agenda (DDA). For example, the

main resource of the least developed countries is their huge manpower. If the capital and commodity have free access of movement, why shouldn't we have the Movement of Natural Person according to the Mode 4 of Doha Round? Mr. Boiragi, the Ambassador of Nepal and the Coordinator of LDCs said in this relation that we couldn't raise this issue due to a politically strategic reason. Bangladesh needs to work on this in future.

As WTO somehow overcame the chance of failure in Bali and as the multilateral system are better than bilateral agreements with conditionality in view of LDCs, the credibility and importance of WTO will increase in future indeed. The least developed countries like Bangladesh, therefore, should increase their skills of trade diplomacy in this forum in coming days.

And we have to take the future issues into account and where the Singapore Issues will come forward, including:

- Equal competition for the local and foreign companies in the government procurement;
- How to make foreign investment easier and more competitive.

We have to find out the strategies based on proper research and study in this purpose. However, the issues of Climate Change and Green Economy also need to bring in open discussion, including:

- Providing subsidy in the Clean Energy projects e.g. Solar Energy.
- Fossil fuel is being subsidized though it is one of the major reasons behind climate change and WTO has no limitation on it. This issue needs to be discussed more.
- IPR (Intellectual Property Rights) is a major issue and especially the LDC needs multilateral policies for technology transfer.

We need to go for proper research to find out the ways of making international alliance with the like minded countries to set the strategies. If the political will can lead the mobilization and diplomacy we'll be able to reduce the chance of depriving the people of Bangladesh.

### **Organizers (in alphabetic order)**

Bangladesh Krishok Federation, Bangladesh Vumihin Somity, Coastal Development Partnership, EquityBD, Jatio SromikJote, KrishaniShova, MFTD, Nature Campaign Bangladesh, Online Knowledge Society, Surokkha O Ogrogoti Foundation, Unnayan Dhara Trust, VOICE.

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