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# What's next for a shocked WTO?

By Megan Cassella

Talks on **digital trade, “green” goods tariffs and fisheries subsidies** are at the top of the WTO’s agenda for 2017, but each area could hit major hurdles if, as some expect, the incoming Trump administration shows little interest in them.

It’s a quandary for **the WTO, which looks to the United States for leadership** in pushing the group’s trade agenda forward, especially as its 164 members prepare for the 11th ministers’ conference in Buenos Aires, Argentina, at year’s end. The biennial meeting is the group’s best chance to wrap up its short list of deliverable goals.

But **President-elect Donald Trump has expressed far more interest in smacking down countries for unfair trade practices than holding regional or multilateral talks**, a shift that, in turn, could put pressure on the global trade body’s already-taxed dispute resolution system. This comes on top of major players throughout Europe, such as the United Kingdom and France, undergoing leadership changes of their own.

“This is what everybody is watching to see: How far is the United States going to be engaged in the multilateral setting?” a Geneva official said, requesting anonymity to speak freely about the group’s sensitive plans.

While WTO members were able to get concrete results from the past two full-membership ministers’ conferences, in Bali in 2013 and Nairobi, Kenya in 2015, that outcome might not be so readily achieved this time around, the official said.

“In **Bali with the Trade Facilitation Agreement, and in Nairobi with the export competition decision on agriculture**, those issues were ripe to be delivered,” the official said. “We don’t have any low-hanging fruit at this moment, so it will depend on what happens during 2017.”

Officials were quick to enumerate a host of issues that have made their way to the top of the agenda to tackle in the coming months.

A deal to cut or eliminate fisheries subsidies, particularly those contributing to overfishing or linked to illegal fishing, is among the agenda items. The Obama administration launched a so-called plurilateral initiative to do so in the fall, which brought together 13 WTO members in search of a small agreement.

More recently, a larger group of members expressed interest in reaching a deal with the entire WTO membership, and proposals from the EU, the African, Caribbean and Pacific group of countries, and six Latin American nations are on the table. While the three plans vary slightly, they all include a commitment to securing an outcome by the biennial meeting.

The Canadian delegation said last month that the first substantive meeting on the proposed agreement will take place early this year.

“We love the fact that there is a plurilateral initiative launched by the United States, which is laudable and useful, but we would wish to have a global, multilateral approach to this,” Paolo Garzotti, the deputy head of the EU Mission to the WTO, said in a recent interview.

Another Geneva official cautioned, however, that the fisheries initiative had been loudly championed by the United States; if the incoming administration takes more of a backseat role in the organization, there will likely be less of a driving force to reach a deal.

“Before, the U.S. was always trying to find a way to get something done, but no one knows if that will be the case going forward,” the official said. “If the U.S. doesn’t push, stuff doesn’t really happen here.”

The Environmental Goods Agreement, a smaller-scale deal that aims to boost trade in “green” goods like wind turbines and solar panels by eliminating tariffs on them, is in the same boat. The pact was supposed to wrap up at a ministers’ meeting in early December, but a number of unresolved issues, including some seemingly impossible-to-solve divisions that other members pinned largely on China, led the EGA members to leave Geneva without a deal.

The official pointed to the similarly structured Information Technology Agreement, which members failed to agree on by its July 2015 deadline only to reach an outcome at the ministers’ conference in Nairobi six months later, as an example for what could happen with the EGA. “But again, it depends on what the U.S. wants,” the official added.

Another focus of some major players is the relatively untouched area of e-commerce and digital trade. The subject dominated the WTO’s public forum in September, and several officials say the area is ripe for negotiations given what little the trading body has done to weigh in on the subject so far.

But e-commerce discussions won’t come without difficulties, with officials already pointing out that developed and developing countries are at odds over whether a deal would benefit everyone involved. While proponents say e-commerce and digital trade should be used as a tool to place companies of all sizes and from all over the world on a level playing field, others who are against it — developing countries, in particular — tend to feel that working toward a deal would suck up a lot of time and effort for little benefit to them, since they don’t have infrastructure in place to support it.

**“You do have many developing countries still sort of scratching their heads and saying, ‘What’s in it for me?’” an official said.**

**“The question is how to create an environment in which these players can get engaged without too much by way of regulatory or financial burden,” added Keith Rockwell, a spokesman for the WTO.**

**Then there’s the size and scope of any digital trade deal. While digital trade includes buying products online and having them shipped to your door, during which goods undergo traditional customs procedures, it also encompasses things like ordering songs or movies online, which are delivered through the cloud. Regulations would have to consider whether to classify such items as goods or services, for example, and how to handle them since they wouldn’t go through customs.**

**“It’s a vast issue,” one official said. “But many people here in the WTO say we need to focus on this because it’s already happening, and we’re sort of running behind the train here and we need to catch up.”**

**With so many ripe areas for negotiation but nothing standing out as easily achievable, all of the officials interviewed for this story said what can be delivered by December remains a guessing game. The coming months will be spent narrowing down the list of possibilities and then determining the year’s specific agenda, officials said.**

**What is achieved in Buenos Aires in a way is less important than making sure some progress is made, they added.**

**“I think we are at a moment in time where we need to show that ... there is a positive” side to trade, said Garzotti, the EU deputy ambassador.**

**And while the leadership transitions in the U.S. and other nations may slow things down in Geneva, it shouldn’t derail the agenda, the officials said.**

**“Whenever there are changes in administration, it’s always difficult to know exactly how the incoming players will want to engage, to interact, what their objectives will be and what their concerns might be,” said Rockwell, the WTO spokesman.**