

# **South Africa's Perspectives on the Doha Development Agenda 10<sup>th</sup> WTO Ministerial Conference Nairobi, Kenya in December 2015**

**Presentation to the Parliamentary Portfolio Committee  
on Trade and Industry**

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17 November 2015  
Cape Town**



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# The Doha Development Agenda: Original Objectives

- “To place interests of developing countries at heart of the work programme...”.
- Reform in agriculture: improved market access, reductions in subsidies and elimination of export competition.
- Enhanced exports of products of interest to developing countries.
- Policy space for developing countries, notably through effective Special and Differential Treatment (S&D) provisions in favour of developing countries.

# Impasse Since 2008

- Over the course of negotiations, developmental content of DDA steadily eroded.
- Developing countries played a key role in working towards a credible outcome in agriculture, but the anticipated ambition for agricultural reform was moderate.
- By contrast, developing countries would be required to take steep cuts in their industrial tariffs with negative impact on their industrial development and employment objectives.
- Impact on SA/SACU particularly harsh: no new access in agriculture but widest and deepest cuts in industrial products.

# Impasse Since 2008

- Negotiations reached an impasse in 2008.
- Partly a reflection of the positive development that saw the emergence of strong developing country alliances more united and able to resist unfair outcomes.
- G20, G33, NAMA 11, Africa Group, ACP.
- Better prepared technically and politically to effectively defend common development interests.

# Assessment and Implications

- Developed countries appear less interested in DDA.
- Demand emerging economies offer greater concessions; raise concerns about consensus decision-making in the organization and the single undertaking.
- But developing countries see consensus decision-making and the single undertaking as critical to ensure their voices are heard and for eventual balance in the outcome.
- Emerging economies oppose commitments equivalent to developed countries.
- Even though emerging economies have increasing share of world GDP and trade but still face serious development challenges.

# Assessment and Implications

- The major implication of the impasse has been “a turning away” from multilateral negotiations by some major economies.
- Launch of mega-regional negotiations: Trans Pacific Partnership (concluded awaiting ratification); the Transatlantic Trade and Investment Partnership between EU and US.
- Rise of “plurilateral negotiations” among a few members in the WTO (Government Procurement, Information Technology, Services and Environment).
- Emerging economies and African countries generally not part of these processes.
- **Africa** is pursuing structural transformation and integration.

# Ninth Ministerial in Bali - Dec 2013

- Despite difficulties in DDA, MC9 delivered a DDA outcome: the Trade Facilitation Agreement.
- South Africa was among countries concerned that the outcome lacked balance.
- Issues of importance to developing countries (agricultural export subsidies, DFQF market access for LDCs, special and differential treatment in favour of developing countries) were crafted in best endeavor language.
- TFA is of interest to developed countries as it would facilitate their access to the faster growing markets of developing countries, including African economies.

# Ninth Ministerial in Bali - Dec 2013

- The burden of implementation of the TFA will not be equitably shared.
- Developed countries will need to do very little.
- Many developing countries, particularly in Africa, will need to make major investments of finance, and effect costly change to administration, legislation and regulation to meet TFA requirements.
- African countries have been offered promises that donors will provide the support - but no legal commitment to do so.

# 2015: Recalibration and Realism

- Engagement on remaining DDA issues resumed in January 2015 as agreed at MC9.
- Call for a „recalibration“ of ambition, „realism“ and „do-ability to conclude a Work Program by July 2015.
- Appeared as a reasonable attempt to overcome obstacles in the DDA.
- However, in practice, recalibration appeared as pretext to overturn existing mandates and further dilute development content of the DDA.

# 2015: Recalibration and Realism

- Proposals increased demands on emerging economies, while reducing pressure on industrialised economies to reduce their subsidies and open their markets.
- While industrialised economies argued emerging economies make greater contributions, many see this as a deflection from their own inability to meaningfully reform their own agricultural support and protection programmes.
- Inability to overcome divergences meant that deadline for Work Program in July 20015 was missed.

# Preparations for MC10 in Nairobi

- In September, it was proposed that work continue on a “small package” of outcomes for MC10 in December in Nairobi.
- It may include:
  - export competition,
  - improvements in transparency in some areas, and
  - an outcome on issues in favour of LDCs.
- While there is a possibility to deliver outcomes in these areas, success is not assured.
- The key issue for Nairobi is the future of the DDA.
- Wide and strong support for continuation of the DDA negotiations post MC10.

# Preparations for MC10 in Nairobi cont.....

- Wide support that agricultural reform must continue.
- A few important Members oppose continuation of the current DDA architecture.
- They argue they are prepared to take up the DDA issues but not within the current mandates they say offer no chance of success (ignoring that TFA was delivered).
- Most developing countries hold fast to the principles and frameworks that lay the basis for a developmental outcome.
- They may be prepared to adjust aspects of the negotiating framework but not to jettison all progress since 2001.
- Some other Members argue need to include “new issues” in negotiations.

# South Africa's Position on MC10

- Work to deliver a successful MC10 in Nairobi – the first MC in Africa.
- Support Kenya in this endeavour.
- Noteworthy that NAMA is off the table (for now).
- SA supports an outcome for LDCs but it should be commercially meaningful.
- Cannot accept new disciplines on transparency if the burden of implementation is unfairly distributed – no development content.
- Seek an outcome on Export Competition including to ensure food aid does not disrupt domestic and regional production in receiving countries.

# South Africa's Position on MC10

- SA recognizes the DDA will not be concluded at MC10.
- MC10 could be a step toward its eventual conclusion.
- Members should reaffirm commitment to the development objectives set out in the Doha Declaration.
- Reaffirm commitment to conclude the DDA in line with mandate.
- Reaffirm that Agriculture reform sets ambition for other issues.
- New issues need to be specified and may be considered on an exploratory basis once DDA is concluded.
- Principles of development, S&D and LTFR must continue to underpin all negotiations.
- SA position is aligned with most developing countries, including Africa.



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