

World Trade Organization

UGAMUNC 30

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Letter to the Delegates

Welcome to UGAMUNC 30! My name is Krishna Patel, and I am so incredibly excited to be your Chair for the World Trade Organization along with my co-chair, Mehar Nemani! We are so excited to meet this year's delegates!

I am from Milton, Georgia, and a third year, studying International Affairs on the Pre-Law track, with minors in Computer Science, and Law, Jurisprudence, and the State. I have been involved with Model UN for eight years. I am deeply passionate about UGAMUNC as I have attended this conference since I was a freshman in high school. This is my second year chairing for UGAMUNC, as well as being on the team. My other campus involvements include The UGA Agency (UGA's premier in-house modeling agency), Moot Court, and the Women's Studies Student Organization, where I serve as the Director of Diversity, Inclusion, and Equity. In my free time, I enjoy crocheting, watching horror movies, and hanging out with my friends and family.

I would also like to introduce Mehar Nemani, our esteemed co-chair. Mehar is a second year at UGA pursuing a double major in Economics and Political Science, with a minor in Law, Jurisprudence, and State. She has been involved with Model UN since her freshman year of high school and this is her second year on UGA's Model UN Travel Team! Outside of Model UN, she is involved in many organizations on campus, such as University Judiciary, Economics Associates, ServeUGA, KaPi, and UGA Amara. In her free time, you can find her sleeping, dancing, getting chipotle or bagels, and spending time with friends and family.

As a delegate in the WTO committee, I expect you will compete to the best of your ability and along with that prepare for the conference adequately. I expect that you will ensue this committee with the highest level of professionalism, and respectful debate. I will not tolerate any behavior that disrespect the topics or countries we discuss. Further, I expect that your position papers and proposed strategies in debate are in line with the views and perspectives of your designated country. Position papers should include considerations for a state's historical background, politics, culture, and demographics. This should persist even if you personally do not maintain or agree with certain views. WTO is designed to provide a forum to negotiate trade agreements and to resolve trade issues amongst other countries, while helping developing nations build their trade relations and capacity.

Please contact me or Mehar with any questions you may have! We will do our best to respond in a timely manner. Please submit your position papers by 11:59 PM EST on January 19th. We wish you good luck!

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Sensitivity Statement

As you conduct research and prepare to attend our conference, please remember to be respectful and mindful of different cultures, traditions, religions, and more. Here at the University of Georgia, we do not tolerate any form of discrimination. As a standard, follow the Western business attire dress code, do not imitate accents when speaking, and do not bring props. Treat your fellow delegates with the utmost respect, regardless of differences in ability, age, culture and ethnicity, gender identity, national origin, race, religion, and sexual orientation. Please keep this in mind, whether it's the ideas discussed during debate or the content of your papers.

Additionally, cheating by pre-writing or other measures such as the use of AI (ChatGPT, Google Bard, Grammarly AI, etc.) will not be allowed, as it not only provides certain delegates with unfair advantages, but also takes away from the passion, personality, and effort that each delegate puts into their ideas and works. The use of AI to write notes, speeches, or papers in committee is strictly forbidden.

In short, please conduct yourself in a respectful and professional manner. If instances of racism, sexism, homophobia, xenophobia, etc. ever arise during committee, please let us know so that we can handle the situation and create a safe and welcoming environment for everyone. Furthermore, if our staff determine that you have violated our code of conduct, or that you have committed any aforementioned forbidden activities such as prewriting, accent imitation, or racism, we reserve the right to disqualify you from UGAMUNC 30.

Committee Background

The United Nations World Trade Organization is a pivotal international organization that specializes in the regulation and facilitation of global trade. The WTO, established on January 1st of 1955, succeeded the General Agreement on Tariffs and Trade (GATT), and serves as the premier global institution responsible for overseeing trade agreements, resolving trade disputes, and promoting an open, fair, and predictable international trading system.

The precursor to the WTO, GATT, was created in 1947 with the aim of reducing trade barriers and promoting international economic cooperation. WTO's establishment occurred during the Uruguay Round negotiations, which concluded in 1994. The creation of the WTO marked a significant shift from GATT, as it encompassed trade in goods, and trade services, intellectual property rights, and investment measures.

The WTO is composed of three primary structures, the Ministerial Conference, the General Council, and the Dispute Settlement Body. The Ministerial Conference is the highest decision-making body, where representatives from all member countries convene biennially to make crucial policy decisions. The General Council acts on behalf of the Ministerial Conference and oversees the day-to-day operations of the organization. The Dispute Settlement Body is responsible for settling trade disputes between member countries. Additionally, the WTO includes several subsidiary bodies, such as the Councils for Trade in Goods, Trade in Services, and Trade-Related Aspects of Intellectual Property Rights (TRIPS).

The WTO fulfills a wide range of critical functions, including trade negotiations, trade dispute settlement, monitoring and review, technical assistance and capacity building, and trade policy review mechanisms (TPRM).

The United Nations World Trade Organization (WTO) plays a crucial role in regulating international trade, facilitating negotiations, and resolving trade disputes. Its mission is to promote a rules-based, open, and fair global trading system. While the organization has made significant contributions to global economic stability, it also faces ongoing challenges related to negotiation deadlock, disparities between member countries, environmental concerns, and human rights issues. As a key pillar of the international economic order, the WTO continues to be a subject of debate and reform efforts on the global stage.¹

¹ WTO. 2021. "What Is the WTO?" World Trade Organization. 2021. https://www.wto.org/english/thewto e/whatis e/whatis e.htm.

Topic A: Dismantling the Deadlock in Doha Round Negotiations

Brief Note from the Chair: For this topic, consider the assumption that there is one final round of the Doha Round negotiations, which resides on the dates of UGAMUNC 30. This is the final attempt of remedying the disputed Doha Development Agenda.

Introduction

The WTO's Doha round negotiations, launched in 2001, aims to minimize the tariffs on agricultural and industrial goods, in order to relax non-tariff barriers. In the 2003 WTO meeting, the developing and developed nations failed to reach a collective position on the provisions regarding trade liberalization. Essentially, developed and developing states have differing positions on subsidies for food and agricultural sectors, market access, and trade facilitation provisions. Despite efforts to schedule the Doha Development Agenda (DDA) by January 1, 2005, the conference continued to miss deadlines, resulting in a deadlock taking the form of an extended delay.²

All member states have made many attempts to advance past the deadlock situation since 2003, however, the global economic crisis in 2008 to the present has caused some states to implement trade protectionism³, to protect their industries, and minimize social unrest. Additionally, the overall economic growth in developed countries has reached stagnation. More recently, economic growth in emerging markets have declined due to the slow demand of these developed countries. This lack of economic growth within the economies of developed nations has deeply impacted the Doha round negotiations. The ever changing relationship between developed and developing nations in trade regulation and policy has created the impasse within the World Trade Organization.⁴

Historical Background

From 1997 to 2000, the discussion of beginning negotiations related to agriculture, services, and intellectual property arose. As stated previously, the Doha round negotiations were set in motion in 2001, where the member states began to set up a work programme. The ministers, however, decided to postpone the deadline for the developing countries to reduce export subsidiaries, and for the least-developed countries to provide patent protections. In 2003, the ministerial mid-term was reviewed by member states, which led to no certain agreements, and more procrastinated deadlines. In 2004, the framework of the Doha negotiations, also known

² Narlikar, Amrita, & Pieter van Houten. 2010. "Know the Enemy: Uncertainty and Deadlock in the WTO." Cambridge University Press. Cambridge University Press. 2010.

³ UNCTAD (2010) 'International Trade After The Economic Crisis: Challenges and New Opportunities', Geneva: UNCTAD, p.1. https://www.wto.org/english/forums_e/public_forum12_e/art_pf12_e/art19.htm#_ftnref4

⁴ World Trade Organization. 2015. "WTO | the Doha Round." Wto.org. 2015. https://www.wto.org/english/tratop e/dda e/dda e.htm.

as the 'July Package' was established by member states. The next major advancement to the agreement was declared from Hong Kong in 2005, where the narrowed differences in negotiations were explored. The 'July Package' of 2008, a series of meetings in Geneva from July 21-30, propagated the eventual conclusion of the Doha Rounds. The July meeting aimed to agree on the premises of agriculture and non-agricultural market access and settle the range of questions that would shape the final remaining agreements of the Doha Development Agenda. In 2013, ministers met at what is referred to as the 'Bali Package', where an agreement designated to streamline trade, allow developing states more options to provide food security, and improve least developed countries trade development. The Bali Package is known to be one of WTO's successes, in the sense that compared to other meetings regarding the WTO's Doha Development Agenda this conference led to a much improved series of negotiations. Separate from the timeline previously laid out, ministers included political statements about practical commitments and clarifications within the main Doha Declarations. These actions led to decisions in 2002 to postpone deadlines till 2016.⁵

International Impact

After years of failed negotiations in the World Trade Organization, the Doha Rounds could not approach a final agreement on liberalization modalities. The conflicts that should have been addressed within the Doha Round still exist in today's economies. One instance within the agricultural sector, in which the United States' reluctance towards tackling domestic support to economic sectors such as cotton, contrasts with India's and other developing states' avoidance of restrictions of using flexibility in non-agricultural liberalization. The political costs to address these issues are now higher. Developed nations find difficulty liberalizing their agricultural markets, while developing nations strive to maintain the protections within their manufacturing industries and avoid making any more commitments towards providing products and services towards developed nations. Additionally, "market access gains have reduced due to regional and bilateral liberalization, which in turn caused a resistance to multilateral liberalizations." Further the shrinking gains associated with the Doha Round include, gains in productivity, the liberalization of services, and trade facilitation, which have not been represented in the rounds until further notice.⁶

The effects of the deadlock in the Doha Rounds are predicted to escalate the threat of trade wars, increase the number of WTO litigation, and potential reversion of past unilateral trade liberalization moves. Additionally, as the failures of the DDA are primarily due to disagreements between rich and emerging states, the main trade powers will promote developed nations' market access interests by negotiating new free trade areas (FTAs) with key partners. "In a period of economic stagnation, the risk is high that this failure would give WTO members the

⁵ Pakpahan, Beginda. n.d. "WTO | Deadlock in the WTO: What Is Next?" Www.wto.org. Accessed October 27, 2023. https://www.wto.org/english/forums e/public forum12 e/art pf12 e/art19.htm# ftn5.

⁶The New York Times. 2016. "Opinion | Global Trade after the Failure of the Doha Round." *The New York Times*, January 1, 2016.https://www.nytimes.com/2016/01/01/opinion/global-trade-after-the-failure-of-the-doha-round.html.

incentive to pursue non-cooperative strategies via the adoption of protectionist policies." Thus, the stakes in the WTO are very high and the UGAMUNC 30 WTO round appears to be the closest and most promising step toward a global development agenda for a world in turmoil.

Important Vocabulary

- **Non-Agricultural Market Access (NAMA)**: the formulas and other methods to be used to cut tariffs and agricultural subsidies, and a range of related provisions
- **Trade Policy Review Mechanisms (TPRM)**: methods used to "contribute to improved adherence by all Members to rules, disciplines and commitments made under the Multilateral Trade Agreements and the Plurilateral Trade Agreements…by achieving greater transparency in, and understanding of, the trade policies and practices of Members."
- **Modalities**: ways or methods of doing something
- **Trade Liberalization**: the removal or reduction of restrictions on the free exchange of goods or services between nations
- Unilateral Trade: non-reciprocal trade preferences granted by developed countries to developing nations
- **Protectionism**: refers to government policies that hinder international trade to help domestic industries and markets.

Questions to Consider

- 1. How can developing and developed states come to an agreement to address the disparities within the DDA?
- 2. What solutions could the WTO implement to tackle the issues regarding the DDA?
- 3. How can this final Doha round hold developed countries accountable for their initial promises to promote development in poorer countries without forcing developing nations to reduce import barriers, as industrialized nations have?
- 4. How can we learn from the failures of the past Doha rounds to lower trade barriers and boost economic growth for developing countries?
- 5. What institutions, dynamics, or mechanisms can be established to accomplish the objectives of the Doha Rounds, and prevent further delay of negotiations?

⁷ Bouët, Antoine, and David Laborde. 2009. "The Potential Cost of a Failed Doha Round." *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1396335.

^{8&}quot;WTO - Trade Policy Reviews -the Trade Policy Review Mechanism (TPRM)." n.d. Www.wto.org. https://www.wto.org/english/tratop e/tpr e/tprm e.htm#:~:text=The%20 purpose%20of%20the%20 TPRM.

Suggested Readings

- The Doha Round Texts Introduction
- Doha Round Overview, Objectives, Major Subjects for Negotiations, Benefits And More
- WTO | The Doha Round

Topic B: Increasing Transparency within Regional Trade Agreements

Introduction

Trade is an increasingly important sector of the globalized economy. Increased trade helps economies flourish and remain involved in the international community. Regional Trade Agreements in the World Trade Organization are simply any reciprocal trade agreement between two or more partners, not necessarily in the same region. Over the years, Regional Trade Agreements (RTAs) have grown drastically, not just in number but in depth and complexity as well. As of June 2016, all WTO members now have an RTA in effect¹⁰. Members of the World Trade Organization and Secretariat encourage discussions and gather information on RTAs to increase the transparency of the multifaceted international trading system.

A core principle of the World Trade Organization is non-discrimination, implying that members should not favor one trading partner over another. However, RTAs are a clear exception to this rule because these agreements are discriminatory by nature, as the signatories of the agreements have more favorable market access in comparison. It is important to recognize the prevalence of RTAs to facilitate trade but also not raise barriers. Members of WTO are allowed to enter into RTAs with specific conditions which include 3 specific criteria. This includes the formation and operations of customs unions and free trade areas in Article XXIV of the General Agreement on Tariffs and Trade 1994, regional and international agreements between developing countries in the Enabling Clause, and agreements covering the trade of services in Article V of the General Agreement on Trade in Services¹¹. Overall, RTAs should be designed in a manner that is complementary to, not substitute for, the global multilateral trading system. Former WTO Director-General Roberto Azevêdo said that key issues such as trade facilitation, services liberalization, and subsidiaries, can only be tackled broadly and efficiently when everyone has a seat at the negotiating table. 12 It is integral that members of WTO design fair and transparent trade agreements to ensure the integration of smaller and more vulnerable countries in the world economy.

⁹ World Trade Organization. 2016. "WTO | Regional Trade Agreements - Scope of Rtas." Wto.org. 2016. https://www.wto.org/english/tratop e/region e/scope rta e.htm.

¹⁰ "Redirect Notice." n.d. Www.google.com. Accessed October 27, 2023.

https://www.google.com/url?q=https://www.wto.org/english/tratop_e/region_e/scope_rta_e.htm&sa=D&source=docs&ust=1698205247389050&usg=AOvVaw0HO9XymMGvHrbxVuscoBuP.

^{11 &}quot;WTO | Legal Texts - Marrakesh Agreement." n.d. Www.wto.org.

https://www.wto.org/english/docs e/legal e/gatt47 02 e.htm#articleXXIV.

¹² "WTO | Regional Trade Agreements - Transparency Mechanism for RTAs." n.d. Www.wto.org. https://www.wto.org/english/tratop e/region e/trans mecha e.htm.

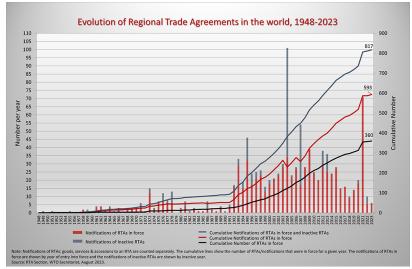
Current Situation

As of August 1, 2023, 360 RTAs were in effect. Documentation of various Regional Trade Agreements under the WTO is available in the RTA Database, which includes country profiles classifying trade agreements, tariff profiles, a review of trade policy, and a preferential tariff analysis determined by the tariff liberalization schedules provided by parties in accordance with the Transparency Mechanism for RTAs.¹³

On December 14, 2006, the General Council created a new transparency mechanism for all RTAs, providing for the early announcement of any RTA and notification to the World Trade Organization.¹⁴ The Committee on Regional Trade Agreements is tasked with analyzing RTAs

falling under Article XXIV of the General Agreement on Tariffs and Trade (GATT) and Article V of the General Agreement on Trade in Services (GATS), while the Committee on Trade and Development is tasked with analyzing RTAs falling under the Enabling Clause for developing countries.

It was designed to increase transparency of RTAs and understand the implications on the



multilateral trading system. Although this has been implemented on a provisional basis, it is a step in the increased knowledge sharing between countries involved in trade, to which WTO members agreed to work towards making this permanent aspect without prejudice towards notification requirements. Through this process, members are expected to notify the WTO of RTAs which are discussed on a wider WTO membership level with a factual presentation prepared by the Secretariat of WTO. Members of WTO can review and adapt the decision, and replace it with a permanent mechanism as part of the Doha Round. The Doha Round is the up-to-date round of trade negotiations between WTO members. ¹⁵ It was designed to reform international trade through lower trade barriers and revised rules.

Procedures to implement the transparency mechanism on RTAs start with early announcement, which is simply informing the WTO Secretariat of such negotiations in play. Members that are part of a newly constructed RTA should send the Secretariat information on the RTA, including but not limited to, its official name, scope, date of signature, any foreseen timetable for its entry into force or provisional application, relevant contact points and/or website

¹³ "WTO | Regional Trade Agreements." Wto.org. 2019. http://rtais.wto.org/UI/PublicMaintainRTAHome.aspx.

¹⁴ "WTO | Regional Trade Agreements - Transparency Mechanism for RTAs." n.d. Www.wto.org. https://www.wto.org/english/tratop e/region e/trans mecha e.htm.

¹⁵ World Trade Organization. 2015. "WTO | the Doha Round." Wto.org. 2015. https://www.wto.org/english/tratop e/dda e/dda e.htm.

addresses, and any other relevant unrestricted information.¹⁶ Parties involved should also specify which provisions of the WTO agreements the RTA is notified of and provide full text in one of the WTO's official languages. A template of the notification format was released by WTO as part of WT/REG/16 on November 23, 2006.¹⁷ Any changes in the operation or implementation of an RTA should be notified to the WTO as soon as possible.

Concluding Thoughts

There seems to be a consensus among members of the World Trade Organization on increasing transparency for Regional Trade Agreements. However, there are still mixed views on RTA's effects on global trade liberalization. Keep in mind that RTAs are designed to benefit signatory countries, hence expected benefits can be undercut if resource allocation and trade investments are not properly handled. In addition, the increase in RTAs has caused the rise of overlapping membership, which can be detrimental to trade flows when there are differing sets of rules. Most original RTAs included measures on tariff liberalization and rules about trade defense, investment, intellectual property rights, environment, labor, etc. But this leaves room for regulatory confusion and enforcement/implementation issues. While determining the best approach for RTAs, member states should also consider country sovereignty and privacy rights. This committee should consider a multifaceted approach to regulating RTAs and increasing rules of governance.

Important Vocabulary

- **Regional Trade Agreements**: any reciprocal trade agreement between two or more partners, not necessarily belonging to the same region

Ouestions to Consider

- 1. Should a stricter transparency scheme for RTAs be put in place by the World Trade Organization?
- 2. How should any measures on RTAs be enforced? Should there be incentives or consequences involved?
- 3. Why should countries share data on trade considering privacy rights and sovereignty?
- 4. Should there be an extent to what RTAs cover in terms of regulations?
- 5. How can overlapping membership with differing terms be combatted, while still encouraging countries to form more trade agreements? Should exceptions to agreements be allowed?

¹⁶ World Trade Organization. 2016. "WTO | Regional Trade Agreements - Scope of Rtas." Wto.org. 2016. https://www.wto.org/english/tratop e/region e/scope rta e.htm.

¹⁷ Reg, Wt. 2006. "WORLD TRADE ORGANIZATION Committee on Regional Trade Agreements NOTIFICATION FORMAT for REGIONAL TRADE AGREEMENTS Proposal to the Council for Trade in Goods, the Council for Trade in Services and the Committee on Trade and Development." https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/WT/REG/16.pdf&Open=True.

Suggested Readings

- Regional Trade Agreements
- RTAs | Scope of RTAs