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## **The Bali Package, the Trade Facilitation Agreement and the Post-Bali Work Program**

Submitted by: The Philippines



**APEC**  
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# THE BALI PACKAGE, THE TFA AND THE POST-BALI WORK PROGRAM

Session 3: Regional Economic Integration and  
the Multilateral Trading System

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## OUTLINE

- ▶ The good news
- ▶ Background
  - ▶ Stalemate in the Doha Development Agenda (DDA)
  - ▶ “Early Harvest” (MC8)
- ▶ The Bali Package
  - ▶ 10 Bali Decisions
  - ▶ Post-Bali Work Programme
- ▶ Impasse in implementation of Bali Package
- ▶ The 27 November General Council breakthrough
- ▶ The road ahead
- ▶ The role of APEC in supporting the Multilateral Trading System



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## THE GOOD NEWS

- ▶ DG Azevedo: “The WTO is back on track”
- ▶ In contrast to “an asteroid about to hit the Earth”



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## BACKGROUND

- ▶ The Doha Development Agenda (DDA)
- ▶ Stalemate in the DDA
- ▶ “Early Harvest” (MC8)



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## THE BALI PACKAGE

- ▶ 10 Bali Decisions
  - ▶ 1. Agreement on Trade Facilitation
  - ▶ 2. Agriculture
    - ▶ A. Public Stockholding for Food Security
    - ▶ B. Export Competition
    - ▶ C. TRQ Administration
    - ▶ D. General Services
  - ▶ 3. Development and LDC Issues
    - ▶ A. Monitoring Mechanism on Special and Differential Treatment
    - ▶ B. Cotton
    - ▶ C. Preferential Rules of Origin for LDCs
    - ▶ D. Operationalization of LDC Services Waiver
    - ▶ E. Duty-Free, Quota-Free Market Access for LDCs



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## THE BALI PACKAGE

- ▶ Post-Bali Work Programme
  - ▶ Prioritize issues where no legally-binding outcomes could be achieved in Bali
  - ▶ Include elements central to the conclusion of the DDA
  - ▶ Deadline: 31 December 2014



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## TFA

- ▶ First ever multilateral agreement of the WTO
- ▶ Objectives
  - ▶ Expedite movement, release and clearance of goods
  - ▶ Improve cooperation between customs/other authorities
  - ▶ Enhance technical assistance and build capacity
- ▶ The text
  - ▶ Section I: 12 articles of technical measures
  - ▶ Section II: Special and Differential Treatment (S&D) for developing economies and LDCs
  - ▶ Section III: Institutional arrangements and final provisions



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## TFA

- ▶ Section II
  - ▶ Applies only to developing economies (including LDCs)
  - ▶ Gives flexibility in implementation of obligations
  - ▶ Each developing economy decides when it can implement each provision
    - ▶ Implementation of agreement linked with capacity
    - ▶ Each economy can say when it will implement each measure
    - ▶ Donors have promised sufficient technical assistance
  - ▶ Categorization of each measure
    - ▶ Each developing economy Member will categorize each measure
      - ▶ Category A: at time Agreement enters into force (one year later for LDCs)
      - ▶ Category B: entry into force + (X) time (only "local action" needed)
      - ▶ Category C: after technical assistance and capacity building (TACB)



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## TFA

### ► Benefits

- Significant reduction of transaction costs for developing economies
- Reduction of costs can create new trading opportunities
- Reduction of transit times, which translates to increase in value and volume of goods
- Positive impact on export diversification and export markets for developing economies
- Increase in global GDP
- Costs of implementing TFA relatively small vis-à-vis benefits
- Benchmark for S&D provisions – Section II and funding for implementation



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## PUBLIC STOCKHOLDING

- Support provided by developing Members for traditional staple food crops in pursuance of public stockholding programs for food security purposes existing as of the date of the Bali Decision
- Peace clause until permanent solution is agreed and adopted
- Negotiations for a permanent solution a priority.



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## IMPASSE IN IMPLEMENTATION OF BALI PACKAGE

- ▶ The cause
- ▶ The effect
- ▶ Efforts to break impasse



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## 27 NOVEMBER GENERAL COUNCIL BREAKTHROUGH

- ▶ Three (3) decisions on:
  - ▶ Trade Facilitation Agreement
    - ▶ Adoption of Protocol
  - ▶ Public Stockholding for Food Security Purposes
    - ▶ “Peace clause” to remain until permanent solution is found even beyond MCI I
    - ▶ Best efforts to find permanent solution by 31 December 2015
  - ▶ Agreement to implement the Bali Package and engage constructively
    - ▶ Resume work immediately and engage constructively on the implementation of all Bali Ministerial Decisions, including preparation of a clearly defined work program on remaining DDA issues
    - ▶ Issues of the Bali Package where legally binding outcomes could not be achieved, including LDC issues, shall be pursued on priority
    - ▶ Deadline for the work program: July 2015



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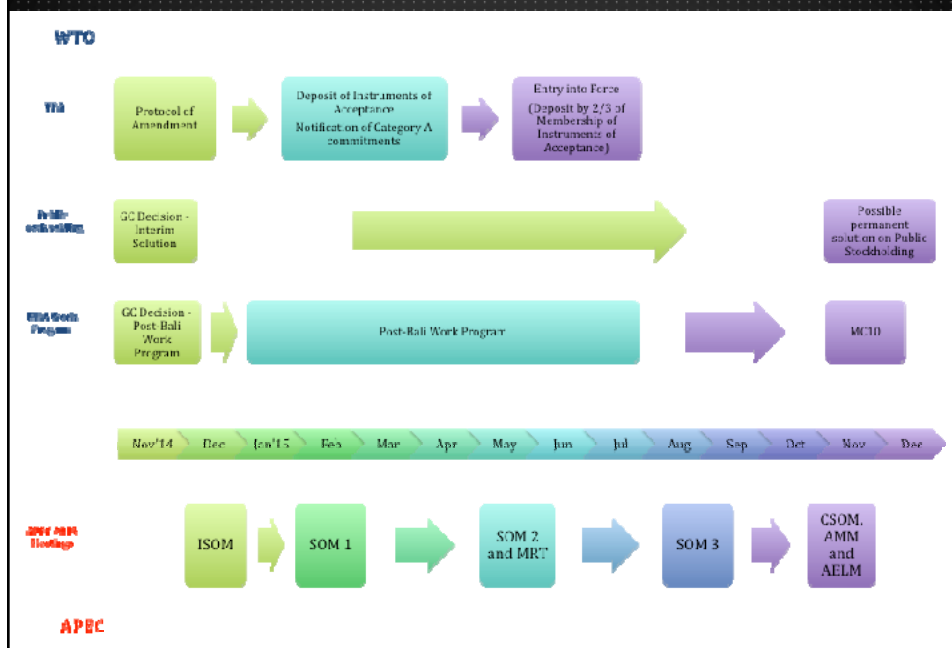
## THE ROAD AHEAD

- ▶ A. On 10 Bali Decisions – full implementation in accordance with the timeframe agreed at MC9 as clarified under the 27 November GC Decisions
- ▶ B. On the Post-Bali Work Programme
  - ▶ Negotiation on a definite, “modalities type” post-Bali Work Programme
    - ▶ Main pillars on NAMA, Agriculture and Services
    - ▶ Other elements of DDA?
    - ▶ Deadline: 31 July 2015
  - ▶ Report Work Programme to MC10
  - ▶ Start of negotiations



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## THE ROAD AHEAD





## ROLE OF APEC

- ▶ Statements/reports in support of the multilateral trading system
  - ▶ SOM
  - ▶ MRT
  - ▶ AMM
  - ▶ AELM
- ▶ Close coordination with the APEC Geneva Caucus (PH as Chair)
- ▶ Continue with ongoing work on Trade Facilitation
- ▶ Constructive engagement and support for the post-Bali work program and possible conclusion of the DDA
- ▶ Relevant sectoral and other initiatives (Food Security, ITA-2, etc.)



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▶ THANK YOU.



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