

## **Looking ahead to the WTO MC11 and TRADE's report-back on the WTO Chairs Programme Conference in Buenos Aires**

The world has been changing at an unprecedented rate in recent years and this has intensified geopolitical and economic tensions and uncertainty. In the face of growing instability, renewed commitment to a rules-based trading system, as advocated by the World Trade Organization (WTO), is needed. This was the central message delivered by Susana Malcorra, Argentina's Foreign Minister, in her address to the WTO Chairs Programme Conference in Buenos Aires on 7 December 2017. "Having a rules-based system allows us to work within a clear framework and to challenge those who do not abide by those rules."

How to move forward on unresolved issues from the Doha Development Round against the backdrop of relentless technological change and innovation will preoccupy all country delegations at the WTO Ministerial Conference (MC11) which is being staged in Buenos Aires from 10-13 December 2017. Amidst concerns about growing protectionism and development deficits in many parts of the world, hopes are nevertheless high that the Ministerial Conference will stimulate serious engagement and balanced debates, and induce compromise from different interest groups.

The much anticipated MC11 provides a fitting backdrop to this year's WTO Chairs Programme Conference which covered three main themes: trade in poverty, trade 'behind the headlines', and promoting connectivity. Wilma Viviers, WTO Chair and Director of the TRADE research entity at the North-West University in South Africa, spoke about the work that she and her team has been doing on the services sector in South Africa and the potential of services trade in particular to enhance the country's growth and development prospects.

"While the growth of the mining, agricultural and manufacturing sectors has been very sluggish, the services sector continues to see strong growth. But South Africa's services exports trail well behind mining and manufactured exports, pointing to significant opportunity gaps." She added that it was worrying that the country's services exports and imports had both declined over the past few years in the face of competitive pressures and a weakening domestic economy.

Adelia Jansen Van Rensburg and Ali Parry, both members of the TRADE team, gave a presentation on a research project between TRADE and South Africa's Department of Trade and Industry (DTI), which has involved the development of a conceptual framework and action plan for a services trade strategy for the country. The framework highlights a number of priorities, from solving the problem with limited services data to empowering a services network under the direction of a dedicated services trade directorate housed within government.

"The foundation for more robust services trade must be a strong domestic services sector", said Adelia, "and as a result many of our recommendations are rooted in developing a better understanding of, and coordinating, services at a domestic level." She added that the conceptual framework draws on best practices from a range of countries which have faced similar challenges in converting untapped services potential into international success stories in the sectors in question.

"In South Africa's case, services trade has enormous potential to create new jobs, attract investment, add value to traditional manufacturing activities and provide inroads into regional and global value chains", said Ali, "but the journey will be a long one. Collaboration from key stakeholders is key."

Pierre Sauv , Senior Trade Specialist at the World Bank, commented that the collaboration between the TRADE research entity and the DTI is an important step forward for South Africa which – paradoxically – has strong commercial operations in many parts of Africa but has not developed a clear strategy for harnessing the potential of its financial, ICT, transport, distribution and other

service sectors. This has constrained the country's capacity to attract investment and expand the employment base. SMMEs, in particular, find it difficult to leverage service sector opportunities, despite technological advances which should be enhancing connectivity at many levels. Pierre added that the conceptual framework that has grown out of TRADE's collaboration with government would be of great interest to other developing countries and he recommended that the work be publicised via appropriate channels.

Professor Mark Wu, of Harvard Law School at Harvard University, added that the TRADE/DTI project illustrated that a country need not be constrained by a lack of data when it comes to strategy development – especially in the highly complex domain of services. He said that there was a great deal of merit in conducting sectoral studies as this would help to build knowledge progressively about individual sectors, including their regulatory environment.

One of the strategic thrusts of the WTO Chairs Programme is to influence trade policy in host countries. The work being performed by the TRADE research entity on services trade has been acknowledged as making a notable contribution towards this goal.

For more information about the work of the TRADE research entity, contact: [Wilma.viviers@nwu.ac.za](mailto:Wilma.viviers@nwu.ac.za) or visit the TRADE website: <http://commerce.nwu.ac.za/trade>