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## **WTO**

### **Panel Issues Report Calling For Complete Overhaul of WTO**

*By Daniel Pruzin*

GENEVA—A member of a panel appointed by World Trade Organization Director-General Pascal Lamy last year to examine and analyze challenges to the global trading system has issued a separate report calling for a major overhaul in how the WTO functions.

Talal Abu-Ghazaleh, chairman and founder of the Jordanian-based management consulting group TAGOCorp, said reforming the WTO was “imperative” if the organization was to remain relevant.

“Reforming the WTO is not about fixing a bad organization,” he argued. “It is about improving an already good organization ... [but without] embarking and agreeing on a reform agenda, I fear that its best years could sadly be behind it.”

Among the key recommendations set out in the report is that the WTO's membership should be encouraged to: utilize existing voting provisions more often to improve the pace and efficiency of decisionmaking; hold ministerial conferences, the WTO's highest decisionmaking body, on an annual basis; and create two new permanent advisory committees comprising representatives from civil society and business.

The report also called for the launch of new negotiations on an Internet Economy Agreement and examining ways to better integrate developing countries in global services trade, as well as improving the WTO secretariat's capacity to quickly report on and analyze developments that affect the global trading system.

Furthermore, the WTO should facilitate the negotiation of “plurilateral” agreements which would allow subsets of members keen on further trade liberalization to proceed. The United States and 20 other WTO members are currently in talks on a proposed plurilateral agreement for services.

“Yes, we would have multilateralism at different speeds,” Abu-Ghazaleh said. “But would this not be better than no speed at all?”

Abu-Ghazaleh was appointed by Lamy April 13, 2012, to the panel, which is due to issue a report in April 2013 analyzing challenges to global trade in the 21st century. He told BNA, however, that he decided to issue a separate report under his own authority highlighting the need to reform the WTO as an institution because the issue was not expected to be included in the group's April report.

Abu-Ghazaleh said the issuance of a separate report did not reflect divisions within the group, whose joint report will address both issues already on the WTO negotiating agenda as well as “new” issues such as food security, nontariff barriers, currency fluctuations, and the impact of trade on employment.

“My focus is what needs to be done on reform of the WTO itself in order to deliver on its mission,” he said. “I wanted to look at the institution from the perspective of someone who runs an international business.”

The report is not the first to propose an overhaul of the WTO. In 2005, an advisory panel chaired by former GATT and WTO director-general Peter Sutherland issued several recommendations for

institutional reform, among them hosting WTO ministerial conferences every year and a heads of government trade summit every five years; reforming the tradition of decision by consensus so that a country or small group of countries blocking a decision must cite a "vital national interest" for doing so; and strengthening the role of the WTO director-general.

Sutherland said at the time, however, that the advisory board was eager to avoid having the debate on reform interfere with the Doha Round of trade talks. In his report, Abu-Ghazaleh said reform could no longer await the end of the Doha talks, which are now in their 12th year.

The WTO "does not have the luxury to choose between its work agenda and a reform agenda," he declared.

### **For More Information**

The report may be accessed at [http://www.wto.org/english/thewto\\_e/dg\\_e/dft\\_panel\\_e/report\\_talal\\_abu\\_janv13\\_e.pdf](http://www.wto.org/english/thewto_e/dg_e/dft_panel_e/report_talal_abu_janv13_e.pdf).

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