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MC12 Still On Despite Russia¹

Discussions still appear to be underway for convening the World Trade Organization's 12th ministerial conference during June 12-15, despite escalating criticism of Russia in a strongly-worded statement yesterday by the United States, European Union and other allies, WTD has learned.

Although the ministerial's dates are yet to be communicated to members officially, there are informal discussions currently underway about convening the MC 12 in June if the Russian war against Ukraine abates in the coming months, said people who asked not to be quoted.

However, it is unclear whether major countries like the United States, European Union and their allies are open to convening the meeting during that period, especially given their statement to the WTO General Council warning that they are prepared to take any action against Russia available to them at the WTO.

If the proposed suspension of Russia's WTO members is carried out, then it could have prevent the Russian minister from participating in the meeting.

For the first time, Washington, Brussels and their allies jointly issued a strong statement threatening that they "will take any actions, as WTO Members, that we each consider necessary to protect our essential security interests."

The signatories to the statement include Albania, Australia, Canada, European Union, Iceland, Japan, Korea, Moldova, Montenegro, New Zealand, North Macedonia, Norway, United Kingdom and United States. Surprisingly, Switzerland, which had condemned the Russian war against Ukraine, seemed to have abstained from endorsing the statement.

The 14 countries said their proposed actions "may include actions in support of Ukraine, or actions to suspend concessions or other obligations with respect to the Russian Federation, such as the page 2 Washington Trade Daily suspension of most-favored-nation treatment to products and services of the Russian Federation."

¹ Washington Trade Daily, Volume 31, Number 53, 16 March 2022



The signatories said “in light of Belarus' material support to the actions of the Russian Federation, we consider that its accession process is suspended and will not participate in any accession-related work.”

They urged Russia to urgently stop “the military aggression and immediately withdraw its troops. We are firmly convinced that the Russian Federation must be held accountable and stop undermining democracy, global stability and international law.”

Revoking MFN

The EU's trade commissioner Valdis Dombrovskis said 14 countries are ready to remove the privileged MFN status from Moscow.

The G7 countries involving the United States, Canada, France, Germany, Italy, United Kingdom, and Japan as well as the European Union on Friday said they were revoking MFN status for Russia, which enables them to impose tariffs on Russian goods entering their markets.

Tentative TRIPS Waiver Consensus²

The United States, European Union, India and South Africa have reached a long-sought compromise on an intellectual property rights waiver at the World Trade Organization intended to boost production and distribution of COVID-19 vaccines.

The four WTO members have been engaged in informal discussions since last May to come up with a compromise between the waiver of the Agreement on the Trade-Related Aspects of Intellectual Property Rights proposed by India and South Africa and an alternative offered by the EU that would work within TRIPS' existing compulsory licensing provision.

“The difficult and protracted process has resulted in a compromise outcome that offers the most promising path toward achieving a concrete and meaningful outcome,” Adam Hodges, spokesperson for the US Trade Representative's Office said.

“While no agreement on text has been reached and we are in the process of consulting on the outcome, the US will continue to engage with WTO Members as part of the Biden-Harris Administration's comprehensive effort to get as many safe and effective vaccines to as many people as fast as possible,” he said.

All 164 WTO members would have to agree to the compromise proposal in order to be adopted.

The compromise would apply only to COVID-19 vaccines, including the ingredients and processes need to manufacture vaccines. The waiver would be available only to WTO members that exported less than 10 percent of global exports of COVID-19 vaccine doses in 2021.

Statement from Ambassador Katherine Tai on María L. Pagán's Confirmation as Deputy United States Trade Representative (Geneva Office)³

² Washington Trade Daily, Volume 31, Number 53, 16 March 2022

³ <https://ustr.gov/node/11587>



United States Trade Representative Katherine Tai today released the following statement after the United States Senate confirmed María L. Pagán as Deputy United States Trade Representative (Geneva Office):

“María’s experience will be a major asset in Geneva as the world considers how to drive the World Trade Organization and the global trading system to better serve the needs of workers, families and open, competitive economies while also defending the values of the free world. I congratulate María on her confirmation and look forward to working together as she takes on this new and exciting position.”

Biographical Information:

María Luisa Pagán, Deputy United States Trade Representative (Geneva Office)

María L. Pagán has spent almost three decades as a trade lawyer in the U.S. government. Before her confirmation, she served as the Deputy General Counsel at the Office of the United States Trade Representative. In that role, she has been the lead U.S. attorney for numerous trade agreement negotiations. She was the lead lawyer for the United States-Mexico-Canada Agreement, handling the legal aspects of the negotiation, as well as the implementation package that passed Congress in early 2020.

China Sells U.S. LNG to Europe at a Hefty Profit⁴

China sold several U.S. liquefied natural gas shipments to Europe, a rare move by the world’s top buyer that highlights how sky-high prices are rerouting trade flows.

Unipecc, the trading arm of China’s state-owned Sinopec, sold at least three LNG cargoes for summer delivery to ports in Europe via a tender. The shipments will load from Venture Global LNG Inc.’s Calcasieu Pass export facility in Louisiana.

European natural gas rates surged to a record high on fears that the war in Ukraine will curb flows from top supplier Russia. The rally prompted Unipecc’s traders to turn away from the lower-priced Chinese market, even as Beijing demand its importers secure more fuel amid concerns over wartime disruptions.

European gas usually trades at a discount to LNG in North Asia, home to the top importers. But Europe’s plan to ditch Russian gas means that it will need to significantly boost LNG imports, with the continent’s prices primed to stay higher than Asian rates as it seeks to attract every last drop of fuel from the spot market.

United Kingdom commits £1.8 million for UNCTAD’s work to ease trade⁵

Note: the funding extends an ongoing partnership that has supported over 25 countries to expedite the movement of goods and strengthen public-private collaboration. UNCTAD- United Nations Conference on Trade and Development.

The United Kingdom government will provide £1.8 million (\$2.4 million) to UNCTAD to help developing countries *boost trade by cutting red tape* to ensure a better recovery from the COVID-19 pandemic.

⁴ <https://www.bloomberg.com/news/articles/2022-03-15/china-sells-some-spare-u-s-gas-to-europe-for-a-hefty-profit>

⁵ <https://unctad.org/news/united-kingdom-commits-ps18-million-unctads-work-ease-trade>



UK minister for Asia and the Middle East, Amanda Milling, announced the funding on 4 March in a meeting with UNCTAD Secretary-General Rebeca Grynspan and World Customs Organization Secretary-General Kunio Mikuriya.

The two organizations joined forces with Her Majesty's Revenue and Customs in 2015 to advance the implementation of the World Trade Organization's Trade Facilitation Agreement.

Long-held commitment

"I am delighted to reaffirm the UK's long-held commitment to trade facilitation in developing countries," Minister Milling said. "Through simplifying, modernizing and harmonizing export and import processes, least developed and developing countries can increase their trading capacity and revenue, contributing to their sustainable economic growth."

She said the UK looks forward to continued partnership to enable countries to increase their benefits from fuller participation in the international trading system.

UNCTAD Secretary-General Rebeca Grynspan said: "The United Kingdom is a valued partner for UNCTAD and has provided key support to developing and least developed countries since 2015 to ensure trade efficiency."

"Successful trade facilitation reforms *are based on joint and collaborative efforts of public and private sectors* to make cross-border trade procedures more efficient and cheaper."

Extended collaboration

The funds will enable UNCTAD to build on its engagement with national trade facilitation committees, *providing a suite of digital tools and learning products to promote reforms.*

The new funding represents a 102% increase in funding from the previous £880,000 (\$1.2 million) provided by the UK government for UNCTAD's work on trade facilitation.

The work is part of the UK-funded "Accelerate Trade Facilitation" programme.

The programme's next phase will concentrate on strengthening countries' capacity *to better respond to future crises, furthering the digitalization of trade procedures and targeting trade-related bottlenecks.*

It will continue to foster gender equality and diversity, working with border agencies to embed the importance of gender sensitivity and promote women's participation and decision-making in trade facilitation.

DG Okonjo-Iweala: Women must be at the centre of trade for a more prosperous future⁶

Trade must be used as a vehicle for ending the marginalization of women in the global economy amid widening gender inequalities stemming from the COVID-19 crisis, Director-General Ngozi Okonjo-Iweala said in a video message released on 8 March to mark International Women's Day. Work in the WTO can help reduce trade-related costs for all businesses, including women-owned companies, and also put in place targeted policies to make the multilateral trading system more gender-responsive, the Director-General said.

On this International Women's Day, my heart goes out to the millions of women and girls who are suffering in Ukraine.

⁶ https://www.wto.org/english/news_e/news22_e/dgno_08mar22_e.htm



In 1948, in the wake of the Second World War, the world's governments adopted the Universal Declaration of Human Rights, proclaiming that “All human beings are born free and equal in dignity and rights.”

We have made considerable progress, since then, but women still face so many obstacles to equality, including in the economy. According to the International Labour Organization, only 43% of the world's working-age women were employed in 2021, compared to 69% of working-age men. The World Bank estimates that on average, women have just three-quarters of the legal rights afforded to men. 95 countries do not guarantee equal pay for equal work.

COVID-19 has exacerbated many of these inequalities. As of September 2021, women or girls were 2.4 times likelier than men or boys to have foregone paid work to care for others, 21% likelier to have dropped out of school, and 23% likelier to have reported an increased in gender-based violence.

Businesses led by men are now nearly twice as likely as those led by women to be connected to international value chains, according to the Global Entrepreneurship Monitor.

When women engage in paid work, it can be transformative for them as individuals, for their families, and for entire societies. One estimate suggests that simply raising female labour force participation rate to equal the rate for men would boost GDP by 5 percent in the United States, 9 percent in Japan, and 34 percent in Egypt.

WTO and World Bank research shows that women working in export sectors earn more than in non-export sectors, and are more likely to have formal jobs.

Ending marginalisation in the global economy for women-owned businesses demands action across two broad fronts.

The first deals with reducing trade-related costs for all businesses, since these costs weigh more heavily on the smaller companies women typically run. This involves implementing existing WTO rules such as the Trade Facilitation Agreement, as well as the new agreement on services domestic regulation reached by 67 members in December.

The second, related, front deals with targeted policies to benefit women and the businesses they own. This also includes supply-side action like the work that the Enhanced Integrated Framework, the Standards and Trade Development Facility and the International Trade Centre do with women-owned businesses to help them overcome the full range of barriers keeping them out of international markets.

I often say that the future of trade is digital, services, and green. But, to build the equitable and prosperous societies we need, the future of trade is also women. Women must be at the front and centre, in the economy and in trade as we seek to recover sustainably from the pandemic.