

## On the Edge

WTO Members met in various configurations throughout the week, and during the weekend of November 16-17, to resolve disagreements over agriculture issues included in the Bali package, i.e. TRQ administration, export subsidies, and food security.

Earlier this week, Members almost agreed on a text on food security, luring WTO Director General, Roberto Azevêdo, to concentrate his energy on sorting out differences between China and the U.S. on one of the two identified icebergs on the road to Bali: TRQ administration. This has effectively put a hold on remaining discussions on section II of trade facilitation dealing with the linkage between section I (technical issues) and the financial assistance developing countries would receive from donors after committing to binding provisions.

Azevêdo was able to find a solution on TRQ administration in the green room consultations which seemed acceptable for both China and the U.S. as the basis for further negotiations. The compromise text, sources say, would limit the length of the TRQ administration proposal (to six years) in order to provide Members with enough time to strike a permanent solution on how the mechanism would apply to developing countries i.e. the so-called “sunset solution” which could be interpreted as a sort of peace clause applied to developing countries in the context of TRQ administration.

Nevertheless, the optimistic atmosphere of November 13<sup>th</sup> was short-lived as the next day, some Members of the G-20, including Argentina, Indonesia, Mexico, and Thailand, opposed the sunset solution, demanding a definitive resolution of the issue.

In addition, India later that day, threatened to backtrack from the potential compromise text on the food security’s peace clause secured on November 13<sup>th</sup> and suggested limiting the duration of the clause to four years. The U.S. wanted the clause to be set for only two years while G-33 Members were hoping to keep it until a deal was found on the Doha Round.

India changed its mind after its commerce and industry minister, Arnand Sharma, sent a letter to U.S. Trade Representative, Michael Froman, in which he stressed that the agreed food security solution struck on November 13<sup>th</sup> – which was seen to be applied to 2 or 3 commodities maximum – fell well short of India’s requirements and “would place onerous conditions which would restrict its use significantly.” In addition, India, Sharma wrote, is looking for the peace clause to be applied to 5 to 7 products instead of the perceived maximum of three.

Azevêdo pursued his consultations throughout the weekend which, according to officials, went much better, bringing Members to a much closer understanding on export competition and TRQ administration. Officials will continue their talks this week with the hope of striking a deal before November 21<sup>st</sup>, at which point they will have to send all Bali-related documents to capitals for approval.

## Upcoming Events

- Intensive Consultations on Bali Package, November 12–21, 2013
- General Council, November 22, 2013 (tentative)
- TPP Chief Negotiators & Key Experts, November 19–24, 2013, Salt Lake City (U.S.)
- WTO 9<sup>th</sup> Ministerial Conference (MC9), December 3–6, 2013, Bali (Indonesia)
- TPP Ministerial Meeting, December 7–10, 2013 (Singapore)

Geneva Watch is published by Dairy Farmers of Canada, Chicken Farmers of Canada, Egg Farmers of Canada, Turkey Farmers of Canada and Canadian Hatching Egg Producers to report on the various events occurring in Geneva, particularly on the WTO negotiations on agriculture.

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