

Striving for Balance Between Ambition and Realism

Meeting on the sidelines of the World Economic Forum Annual Meeting in Davos on January 25, WTO Trade Ministers stressed the need to strike the right balance between ambition and realism when elaborating the new work plan concerning the way forward with the multilateral trade negotiations.

The traditional informal mini-ministerial gathering hosted by the Federal Councillor of Economic Affairs, Education and Research of the Swiss Confederation, Johann Schneider-Ammann, brought together 22 countries – including Canada, the U.S., Australia, Russia, the EU, Japan and South Africa – to take a first stab at which topics would be taken up by negotiators to build on the momentum created by the successful Ministerial Conference (MC9) last December.

In Davos, Trade Ministers pledged first and foremost to quickly implement the result of the MC9. Bali, WTO Director General Roberto Azevêdo explained, “changed the ball game” as it generated two very important outcomes i.e. an economic impulse provided to the global economy – characterized mainly by the trade facilitation (TF) deal which could bring about \$1US trillion to the global economy according to some estimates – as well as a political impetus to the trade negotiations and it is based on that political impetus that Members decided to “act immediately in order to make progress to conclude the Doha Round,” Azevêdo stressed.

In doing so, all participants of this year’s informal gathering agreed that the preparation for a clearly defined work program on the remaining Doha issues need to be taken up promptly, building on the decisions taken in Bali and insisting on the need to remain creative and open-minded when elaborating a work plan that they said should be based on “realism, on pragmatism, and the principles of transparency and inclusiveness.”

The Ministers agreed to make sure that the next set of deliverables is not too ambitious in order to increase the chances of successfully harvesting yet another set of Doha issues by the time of the MC10 (2015). So in that regard, it’s not worth setting inaccessible goals such as bringing the whole Doha Round back into the mix, but at the same time, we must not give Members two years to come up with a program for continuing with Doha, one official who attended the meeting said.

“[W]e need to avoid falling back into the stalemates of the past that have prevented progress. The most damaging outcome for the WTO would be to return to the deadlocked situation of several years ago,” U.S. Trade Representative Michael Froman added. “We should be on guard to prevent ourselves from returning to bad habits,” he said.

“We have to plan well. We can’t rush into negotiations and decide what we’re going to do midway [through the negotiations]. We have to do it from the beginning and in order to do that we have to balance ambition and realism,” Azevêdo added.

Inevitably, the next set of topics will have to pass “the do-ability test” said one WTO official who attended the meeting. However, unlike Bali where the group avoided including controversial issues in the package, this time, Members plan to tackle some of Doha’s most difficult topics. As such, it was decided to aim for a sort of middle ground objective, leaving negotiators in Geneva to brainstorm the next package and come up with a set of topics which will be ambitious enough to keep the ball rolling.

Some ideas have been floated in Davos. Obviously agriculture (food security and export competition) continues to be central to the negotiations going forward. But the next package is also expected to have some market access issues – agriculture, industrial products (NAMA) and services.

“Those three areas will have to be discussed. They are of course interconnected (...) you can’t advance one of these three without making advancement in the other two,” Azevêdo said.

“[W]e recognize the interconnectedness of many of the issues that remain outstanding and we believe it is important to look at all the dimensions of each issue. For example, if we are going to look at export competition in agriculture, we also need to look at the full range of agriculture issues, including market access, the role of state trading enterprises, export restraints, and all of the other factors that cause distortions in agricultural trade,” Froman stated.

Some, like the U.S., also mentioned the need to continue with plurilateral initiatives.

“We see these negotiations as fully consistent with and complementary to the multilateral system,” Froman said in the meeting. The rest of the group did not oppose as long as these plurilateral negotiations – such as the one announced in Davos on environmental goods and which include Australia; Canada; China; Costa Rica; the European Union; Hong Kong, China; Japan; Korea; New Zealand; Norway; Singapore; Switzerland; Chinese Taipei; and the U.S. – are negotiated on a most favored nation basis and in parallel with the multilateral negotiations.

Upcoming Events

- Regular Agriculture Committee, January 29, 2014
- TPP Chief Negotiators Meeting, Week of February 17, 2014, Singapore (TBC)
- TPP Ministerial Meeting, Week of February 22, 2014, Singapore (TBC)
- WTO General Council, March 14, May 8-9, July 24-25, Oct.7-8, Dec. 10-12, 2014
- OECD Forum 2014, May 5-6, 2014, Paris (France)
- G-20 Trade Ministers Meeting, July 19, 2014, Sydney (Australia)
- G-20 Leaders Summit, November 15-16, 2014, Brisbane (Australia)

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