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An overview of the WTO negotiations on agriculture

Azevêdo in Washington Seeking Support for Doha Next Steps

WTO Director General, Roberto Azevêdo, traveled to Washington this week to meet with various officials of the U.S. government including U.S. Trade Representative, Michael Froman, Members of Congress, and representatives of the U.S. Chamber of Commerce.

In a speech delivered to the latter, the WTO head reiterated the need to harvest the benefits of Bali by implementing the decisions and agreements reached there, as well as elaborating a clearly defined work program with the view to bring the long stalled Doha Development Agenda (DDA) to completion once and for all as instructed by Trade Ministers in Bali.

“[W]e cannot afford to just dust off our old Doha briefs and go back to the same old intractable positions (...) and so in order to begin this work we will need to rethink our approach (...) We need a process of more flexible engagement that enables us to overcome the well-known obstacles that have paralyzed us in the past,” Azevêdo told U.S. business leaders.

While advocating for the focus to be put on the issues that are deemed “doable” in the first place, Azevêdo was quick to clarify that this strategy was not meant to lower the level of ambition and aim for another package that would be composed of “low hanging fruit” subjects.

“I think we have to tackle the really intractable issues up front,” he said. “Some issues have not even been discussed in nearly six years. Now is time to bring them back to the table.”

A number of countries have been advocating for agriculture market access issues to be among the next set of topics included in the upcoming work program, and there is a clear understanding that “if agriculture comes into discussion, then so will the other two legs of the tripod: industrial goods and services,” Azevêdo added.

“These issues are difficult because that’s where the big gains are. If we can figure out solutions for agriculture, industrial goods and services, then we’ll have the momentum and political will to complete the round — the other issues will fall into place much more easily. Conversely, if we can’t find a solution on the big issues, any progress elsewhere will be limited,” he said.

White House Annual Trade Policy Agenda

The Azevêdo visit comes in the middle of a heated debate currently taking place in Washington and which concerns the Obama administration’s trade agenda for 2014. In effect, the USTR said it will “continue to execute the president’s trade vision that relies on opening markets, leveling the playing field for American workers and producers, and fully enforcing our trade rights around the world.”

The two initiatives cited to help reach President Obama’s objective of doubling exports before 2015, while creating about two million jobs in the process, are the Trans-Pacific Partnership Agreement (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP) both currently under negotiation.

While avoiding setting a deadline to conclude the U.S.-EU FTA – which only entered its fourth round this week – the USTR suggests that 2014 is the year it expects to see the TPP negotiations conclude which will “secure a next generation, high standard trade agreement in the world’s fastest growing region,” the report stated.

TPP Negotiations have both economic and geopolitical implications for the U.S. whose officials described the agreement as critical for the U.S. recovering economy, but also and more importantly, as a vehicle to increase the U.S.’s influence in the Asia-Pacific region and directly compete with China.

As Froman pointed out, “there are huge potential new markets in out there: half a billion middle class consumers in Asia today will rise to 2.7 billion by 2030.”

Meanwhile, two aspects of the report have been widely criticized. The first relates to the relatively soft demand for Trade Promotion Authority (TPA), which continues to be seen as critical to allow the negotiations to move forward. In the report, the USTR states that “to facilitate the conclusion, approval and implementation of our market-opening negotiating initiatives, we are working with Congress to support broad bipartisan passage of Trade Promotion Authority.”

The second is related to the 2014 deadline to complete the TPP, which some observers considered soft given the sense of urgency the U.S. has been displaying since last November. Observers were anticipating a more rapid deadline given the U.S. midterm elections this fall and the need for TPP countries to push for a breakthrough before April so both President Obama and Japan Prime Minister Shinzo Abe could announce a concrete outcome by the time Obama visits Japan the week of April 21st.

U.S.-Japan Bilateral Talks

The U.S. and Japan are expected to resume the bilateral talks this week. The two countries have been unable to narrow their difference in market access, particularly in the area of agriculture (with Japan seeking to protect its five sacred product categories – dairy, rice, wheat, and barley, sugar and starch, beef and pork) and the U.S. refusing to give up on autos and light trucks.

These two countries account for a large part of the TPPA gains – of the combined 40% of the world GDP all 12 TPP countries represent, 70% of this is derived from Japan and the U.S. As such, a breakthrough in their parallel negotiations, particularly on market access, is seen as pivotal for the talks to reach a successful conclusion.

Upcoming Events

- Regular Agriculture Committee, March 14, June 6, November 13, 2014
- TPP Chief Negotiators Meeting, TBD
- WTO General Council, March 14, May 8-9, July 24-25, Oct.7-8, Dec. 10–12, 2014
- APEC Ministers Responsible for Trade, May 17-18 in Qingdao (China)
- 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)

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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