

Members Urged to Prepare for a Busy June & July

The full WTO Membership gathered in Geneva on May 12th to discuss the outcome of the May 7th informal Mini-Ministerial gathering held in Paris on the sidelines of the OECD annual meeting. There, key WTO countries agreed on a number of issues including the need to finalize the implementation of the MC9 outcome – particularly trade facilitation, which most agree was advancing well – and the post-Bali work programme by the end of the year.

It was acknowledged that progress on the core issues – agriculture, industrial products and services, also known as the tripod, seen as a critical test for the WTO – has to be made quickly by identifying what can realistically be done.

On May 12th, WTO Director General, Roberto Azevêdo, reminded delegates of the pressing need to intensify the process in developing possible approaches to deal with contested areas of the tripod. But continuous disagreement on the status of the draft 2008 texts as the basis of future negotiations has contributed to slow progress toward the elaboration of the Doha Development Agenda's (DDA) next steps.

The battle between developed and developing countries over subsidies is one of the larger stumbling blocks and has hindered progress thus far. The U.S. and other developed countries argue that the world has changed and this needs to be reflected in the negotiations. Indeed, a recent paper drafted by the Cairns Group demonstrates that emerging economies such as India and China now subsidize their farmers at levels as high or higher than the U.S. and Europe while the last two's level of subsidies have been decreasing in recent years. As such, developed countries call for the talks to adapt to the new reality of the global economy.

China, who has doled out the most in total trade distorting support (TTDS), argued that many key concerns of developing countries remained unresolved and that the 2008 financial crisis has contributed to worsening the situation, thus making the 2008 draft modalities "a reflection of today's reality".

"The DDA development objective and negotiation mandate should in no case be changed and the principle of special and differential treatment and less than full reciprocity as well as the consensus of addressing the overall trade distorting subsidies and tariff peaks and escalations etc. that are recorded in the result achieved in 2008 should be strictly preserved," China said at the General Council.

The Cairns Group estimated Chinese TTDS to have increased from \$320 million to a stunning \$13.9 billion between 2001 and 2008. However, China maintained that its domestic support programme is "mainly targeted to the subsistence and small-scaled agriculture production mainly on staple food for food security purpose of 1.37 billion people," adding that its 8.5% *de minimis* negotiated in 2001 is *de facto* its red line. As such, the Chinese official warned that "any proposal that requires a few Members to contribute beyond the benchmark, while allowing some major players to do less, will only lead the negotiations to nowhere."

Of the draft modalities texts, Azevêdo said they provide important guidance on how to move forward. He urged Members to be realistic in their approach. "Let's put everything on the table and see how far we can go in each area of the negotiations," he said.

He urged them to be prepared for "some tough conversations" in the next two months as he braced himself to be more involved in the process by consulting delegates on what they are prepared to do and whether they remain ready to move from the positions taken in 2008.



“In a month or two, after having these discussions, that’s when we will know whether we are back in 2008, or whether this is something which shows promise and can happen,” said Azevêdo.

Upcoming Events

- TPP Chief Negotiator Meeting (TPP), May 12–15, Ho Chi Minh (Vietnam)
- APEC Ministers Responsible for Trade, May 17-18, Qingdao (China)
- TPP Ministerial Meeting, May 19-20, Singapore
- WTO Regular Agriculture Committee, June 6, November 13
- G-20 Trade Ministers Meeting, July 19, Sydney (Australia)
- WTO General Council, July 24-25, October 7-8, December 10–12
- WTO Public Forum, October 1–3
- G-20 Leaders Summit, November 15-16, 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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Legal Deposit: National Library of Canada, ISSN 1496-9254

