

A TPP Deal by November?

Chief negotiators from the Trans-Pacific Partnership (TPP) countries may have just been given another deadline to conclude talks this past Friday (June 20th) when U.S. President Barack Obama declared, after meeting with New Zealand's Prime Minister, John Key, that he hopes that he will in position to "have something" by this November to help the twelve countries hammer down a TPP deal.

"[O]ur hope is that by the time we see each other again in November, when I travel to Asia, that we should have something that we have consulted with Congress about, that the public can take a look at and we can make a forceful argument to go ahead and close the deal," Obama said.

The two leaders stressed that they have discussed the TPP timeline and were aiming "to get a document that can create jobs, both in New Zealand and the United States and the other countries that are participating" before the end of the year, though they agreed that "a lot of work remains to be done between now and then."

Meanwhile, TPP trade ministers have been shying away from throwing out deadlines to conclude the talks after having missed several of them. At the last ministerial meeting in Singapore (May 19-20) they repeated their intent to let the negotiations be driven by substance rather than deadlines and this with the objective to give themselves enough time to come up with the most ambitious deal possible. Similarly, this same strategy was endorsed by John Key, who recently stressed that negotiators should take as much time as they need to secure a good deal.

Nevertheless, leaders of the Asia-Pacific Economic Cooperation (APEC) are expected to meet in Beijing on November 10-11, and both Obama and Key think this could be a venue for an announcement. A similar deadline had been floated last year during the same period, but president Obama was unable to attend the meeting at the time due to the infamous U.S. government shutdown.

In the meantime, trade observers remain perplexed as many, including officials from the U.S. Trade Representative office, believe concluding the TPP by November would be hard to achieve given the many issues still on the table. However, the upcoming APEC summit, they said, is more likely to offer another chance for leaders to inject fresh impetus into the talks.

Australian Trade Minister, Andrew Robb has, for his part, dismissed 2014 as the year when TPP negotiators will reach a deal. He recently claimed that the window of opportunity to close the deal this year has almost closed due to the U.S. mid-term election expected this fall. That being said, the first half of 2015 may be seen as the best opportunity to conclude the TPP, the minister said.

Changing venues

Meanwhile, the venue for the July 3—12 TPP chief negotiators meeting and key negotiating group experts has been changed and will now take place in Ottawa instead of Vancouver.

Although the agenda has yet to be publicly released, informed sources say the negotiations are likely to focus on text-related issues. Some negotiating groups are expected to start meeting as of July 3rd, whereas chief negotiators are not expected to arrive on the scene before July 7th, sources said.

WTO Director General Azevêdo Starts Intensive Consultations on Doha Roadmap

The World Trade Organization's Director General, Roberto Azevêdo, has started consulting with key delegations with a view to advance the post-Bali work program.

This past May, Mr. Azevêdo reminded delegates of the pressing need to intensify the process in developing possible approaches to deal with contested areas of the tripod (agriculture, industrial products and services), but continuous disagreement on the status of the 2008 draft texts (Rev 4) as the basis of future negotiations has contributed to slow progress toward the elaboration of the Doha Development Agenda's (DDA) next steps. This deadlock has prompted the Azevêdo to intensify the process by being more involved and he has urged delegates to prepare for "some tough conversations" in June and July.

Consultations thus far have focused on what is realistically achievable over the next two years, though sources have said that Members have only managed to repeat their well-known positions. China, for instance, in response to developed countries' request to see emerging countries do more in areas such as domestic support, claimed that it has already prepaid in order to enter the WTO. Other developing countries such as African and Asian nations are pressing hard to keep the Rev 4 intact as 90% of the draft has been agreed to, a source said.

Mr. Azevêdo, for his part, has asked Members to clarify what they are seeking next and what they are willing to pay in exchange, but so far none of the delegations have been willing to delve into this.

Some countries, meanwhile, have floated ideas with a view to simplify the negotiations by reverting, for instance, to Uruguay Round-type tariff cut formulas where an average cut in tariffs can take place with some flexibility allocated to countries (e.g. a minimum cut). The idea, according to various sources, has not been rejected and is currently being explored.

Members are fully aware of the limited time they possess to secure a deal (i.e. before the MC-10 in December 2015) or the WTO will go dormant for a long time while waiting for bilateral and other regional trade negotiations such as TPP, TTIP and RCEP to conclude first.

Sources close to the negotiations said the current global environment may signal positive changes to come as some countries – especially emerging ones such as China, India and South Africa – seem to be adopting a more positive stance when it comes to addressing Doha's next steps. However, whether this means Members are on track to come up with a consensus on the post-Bali work program or not, it is too early to tell as opposing positions still exist.

The remaining key questions are how much distortion delegates are ready to eliminate and how much liberalization they are willing to achieve to make the MC10 a successful Ministerial Conference. The full WTO Membership will gather at an informal trade negotiations committee on June 25th to discuss exactly that.

Upcoming Events

- Informal Trade Negotiations Committee, June 25
- TPP Chief Negotiator Meeting (TPP), July 3–12, Ottawa, Canada (TBC)
- 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
- WTO Regular Agriculture Committee, November 13
- APEC Leaders Summit, November 10-11, Beijing (China)
- G-20 Leaders Summit, November 15-16, Brisbane (Australia)

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