

TPP: Japan-U.S. Resume Talks on Agriculture

Japan and the U.S. continued their parallel discussions on agriculture and auto market access this past week in Washington D.C. Japan's deputy chief negotiator, Hiroshi Oe, who met with his U.S. counterpart Wendy Cutler throughout the week of May 26th, stressed after the meeting that the two sides have made progress over the past week, but still remained far apart on finding a definitive solution on how to treat Japan's 5 sacred product categories – dairy, rice, beef and pork, wheat and barley, sugar and starch.

The Japan-U.S. relationship remains at the heart of the negotiating process, as a potential deal between the two is believed to set the level of ambition in the area of market access. That being said, it's not yet clear how a deal in Japan's 5 sacred product categories would be extended to other members.

At the last chief negotiators meeting in Ho Chi Minh City, the understanding was that this could be based on countries' specific requests, either through country-specific TRQ, a general TRQ for all the TPP or a mix of both, leaving the door open for the plurilateralization of the Japan-U.S. results to come with some exceptions.

It was also understood that the two have agreed to reduce agricultural tariffs over a long phase-out period, with "significant" initial reduction at implementation. Japan, in addition, would introduce a safeguard mechanism that could be made permanent depending on the importance of the tariff cut.

On May 30th, Mr. Oe seemed to confirm just that when asked whether a potential Japan-U.S. deal will be extended to all TPP countries. Mr. Oe said this will depend on the tariff line, but that Japan is trying as much as possible to provide the same deal to others.

The two sides are expected to meet again in a couple of weeks in Tokyo to continue their discussions. When asked whether the Japan-U.S. talks could be concluded prior to the TPP chief negotiators meeting in July, Mr. Oe replied that he cannot rule out the possibility, but added that it would be extremely difficult.

After focusing exclusively the meeting with the U.S. on market access, Japan is now poised to hold bilateral negotiations with other TPP members on market access over the next few weeks leading up to the July gathering of chief negotiators, Mr. Oe confirmed on May 30th.

Although Mr. Oe avoided mentioning which countries Japan will meet with on a bilateral basis prior to July, Canada is believed to be one of them.

Sources claimed that now that the U.S. and Japan have reached an "understanding" with respect to agriculture market access, the Americans are now looking to engage more with Canada with the aim to get the latter to come to table with an offer on its sensitive products.

Upcoming Events

- WTO Regular Agriculture Committee, June 6, November 13
- TPP Chief Negotiator Meeting (TPP), July, (location TBD)
- 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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