

G-7 Call for Swift Conclusion of Trade Agreements

The June 4-5 G-7 (Canada, France, Germany, Italy, Japan, the United Kingdom and the United States) meeting held in Brussels provided leaders with the opportunity to address various trade issues they are involved in including the ongoing bilateral (Canada-EU; Japan-EU; Canada-Japan; EU-U.S.), plurilateral (Trans-Pacific Partnership (TPP) and the Trade in Services Agreement (TISA) and multilateral (WTO) trade negotiations which they hope to all conclude as soon as possible.

In the case of the WTO, the G-7 leaders reiterated their support for a “full and swift implementation of the Bali Package” particularly in the area of trade facilitation (TF) which is currently being debated in Geneva. The preparatory committee on trade facilitation (PCTF) has successfully completed the legal review of the TF agreement, however the drafting of a Protocol of Amendment which formally incorporates the TF agreement into the Marrakesh Agreement and the drafting of a General Council decision on adoption of the Protocol have been slowed by a recent request tabled by the African group calling on WTO Members to implement the TF agreement “on a provisional basis in line with paragraph 47 of the Doha Ministerial Declaration.” In line with the Bali ministerial decision, WTO Members have until July 31, 2014 to adopt the Protocol, which will later be open for acceptance until July 31, 2015.

The G-7 leaders also stressed their full support of efforts to secure a balanced work programme for completing the remainder of the Doha Round.

WTO Members will be actively engaged in June and July to identify which topics to prioritize next and whether the negotiations should take into account the new reality of the global economy e.g. demanding that emerging economies such as India and China agree to do more in the area of domestic support. This discussion has a direct implication on whether Members decide to maintain, tweak, or simply dump the revised draft modalities texts (Rev. 4) on which the negotiations have been based thus far.

Observers were also expecting the EU’s and Canada’s leaders to sort out their remaining differences in the CETA negotiations. The talks have been blocked on issues pertaining to financial services, intellectual property and rules of origin. At the end of the G7 meeting, informed sources confirmed that a solution on the above listed issues has not yet been found.

With respect to the TPP, the U.S. and Japan will resume their parallel negotiations on June 9th in Washington D.C. This time the focus will be placed on motor vehicle trade. The two countries are also expected to resume their talks on Japan’s sensitive agricultural products in the coming days.

The Japan-U.S. relationship remains at the heart of the of negotiation process as it will set the level of ambition. Most TPP countries see Japan as the biggest prize, and expect the outcome of the parallel negotiations with the U.S. to set the benchmark for what could possibly emerge from the negotiations, particularly in the area of market access. Various sources claimed that the U.S. is now also looking to engage more with Canada with the aim to secure additional market access in agriculture.

In a letter sent to U.S. Trade Representative (Michael Froman) and the U.S. Secretary for agriculture (Thomas Vilsack) on June 3rd, the U.S. dairy industry (the National Milk Producers Federation and the U.S. Dairy Export Council) threatened to withdraw its support for a TPP agreement that fails to secure an ambitious outcome in market access for dairy products in both Japan and Canada.

“It is clear, however, that Japan, as well as Canada, continues to strongly resist living up to the ambitious trade goals it obligated itself to undertake upon joining TPP negotiations,” the letter states, adding that “Canada will likely try to base its decisions on dairy market access off of what Japan commits to do for its most sensitive agricultural sectors, thus heightening the importance of achieving meaningful dairy market access to Japan.”

The U.S. dairy industry also voiced concerns over the anti-competitive nature of Fonterra, New Zealand's multinational dairy co-operative, about which the U.S. industry says the New Zealand government dairy policies have "intentionally advantaged a single national champion at the expense of other competitors."

The TPP, they added "must be concluded in a positive manner" or the NMPF and USDEC will re-examine its support for the Obama administration's pursuit to secure a trade promotion authority (TPA).

At their last ministerial meeting in Singapore, TPP Trade Ministers (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam) instructed their chief negotiators to intensify their engagement on market access and rules and meet sometime in July to advance the talks' most challenging outstanding issues.

Upcoming Events

- 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
- WTO Regular Agriculture Committee, November 13
- 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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