

The Old Formula to the Rescue!

At the July 3rd informal agriculture negotiations meeting, the European Union (EU) reiterated its suggestion that the World Trade Organization (WTO) should go back to a Uruguay Round (URAA) type of formula to simplify the negotiations, instead of persisting with the present 2008 draft text's (Rev 4) general tariff reduction formula to reduce tariffs.

There has been interest in exploring a less complex approach in the area of agriculture market access since the general tariff reduction formula was deemed too harsh for Members' sensitive products (SeP) for which a deviation from the formula has been elaborated with a complicated approach to compensate for it.

The EU claimed this has led the negotiations to an impasse, thus setting average reduction rates would provide countries with the freedom to choose which of their products would face the highest cut, while protecting their politically sensitive goods by exposing them to smaller reduction rates and meet the prescribed average reduction in tariffs.

The URAA formula meanwhile called for an average cut in tariffs, combined with a minimum cut. Yet this time, there was no mention of a minimum reduction rate. Some other flexibility could be explored as part of the idea which, officials said, would eliminate the burden attached to the general tariff reduction formula, the deviation for SeP, the selection of SeP, as well as the safeguards.

The chair of the agriculture negotiations, New Zealand's Ambassador to the WTO, John Adank, called the meeting so Members could share ideas on how to progress in the agriculture negotiations. He urged them to engage in discussions among themselves to explore ideas, including the above suggestion by the EU, if they are genuinely seeking results to conclude the Doha Round (or Doha Development Agenda, DDA) as directed by Ministers in Bali last December.

"The crucial element to make progress is real engagement on substance," Ambassador Adank said, "that goes beyond simply restating what individual delegations or groups of delegations may want but involves a genuine dialogue aimed at identifying compromises with other delegations who may have quite different priorities that they also need to have accommodated in the agriculture and broader Doha negotiations. In short, it's about getting to 'yes' rather than being resigned to staying at 'no'."

Reacting to the EU idea, countries such as Cuba traditionally opposed to provide flexibility to developed countries, said they were ready to explore the idea going as far as to say that similar initiatives were needed to conclude the DDA. Several delegations asked for more details on how the proposal would work. Similar suggestions were made in response to comments about the need to simplify the Rev 4, or update it to take the current situation in agricultural trade into account.

Several well-known positions were also repeated; whether to keep the Rev 4 intact or modify it significantly. The EU also called for geographic indicators (GI) to be included as part of the next work programme and Japan did the same on export restrictions. However, both requests were rejected as some delegates thought there were not part of the negotiating mandate.

Discussions on how to move forward with the agriculture negotiations is only beginning, one official said. Ambassador Adank plans to hold one additional consultation before the end of July which officials say would be more technical in nature to refresh delegates' understanding of the 2008 Rev 4 text.

Meanwhile, some attempted to link the agriculture discussion to the outcome in Trade Facilitation (TF), where several Members complained about the lack of progress. It's hard to see work on the post-Bali work programme moving forward if there is no movement on TF (the protocol for which is supposed to be adopted by July 31st) some countries have stressed (Australia, Mexico, the U.S., Switzerland, Malaysia, New Zealand, the EU and Hong Kong).

In the meantime, Lesotho, on behalf of the African group, said the African Union reaffirmed its support for the DDA and the Bali outcome. Yet, several developing and emerging countries (South Africa, Tanzania, Zimbabwe, Bolivia, Cuba, Cote d'Ivoire, Uganda and India) continue to call for paragraph 47 (single undertaking) to be included as part of the TF protocol.

Upcoming Events

- TPP Chief Negotiator Meeting (TPP), July 3–12, Ottawa (Canada)
- G-20 Trade Ministers Meeting, July 19, Sydney (Australia)
- Informal Agriculture Negotiations, TBC
- 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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