



WTO to Start ‘Open and Honest Discussion’ About Future

At the October 16th formal meeting of the Trade Negotiations Committee (TNC), WTO Director General, Roberto Azevêdo, spoke frankly about the risks the organization is now facing if Members fail to implement the trade facilitation agreement (TFA). “I have promised to give you my frank assessment,” he said “and it is my feeling that a continuation of the current paralysis would serve only to degrade the institution – particularly the negotiating function,” Azevêdo told the full Membership.

The multilateral negotiations have come to a halt since India refused to sign the TFA, linking it to a permanent solution on public stockholding before the end of the year. In Bali, Ministers directed Members to adopt the protocol of amendment on the TFA by July 31, 2014 and elaborated a detailed work program to commence by December 31st. However, with the current impasse, both ministerial decisions are now unlikely, Azevêdo said.

The TNC chair thought that a clearly defined work program was doable if the TFA deadline was met, which would have put Members in a position to close the Doha Development Agenda “fairly rapidly”. Instead, he added, “I am very sorry to say that, in my view, such a detailed and precise modalities-like work program is now very unlikely to be ready by the end of the year.”

This situation may guide more Members – albeit the most developed ones – to disengage from the multilateral negotiations and pursue other “non-multilateral options” such as the Trans-Pacific Partnership agreement (TPP) and the Trans-Atlantic Trade and Investment Partnership (TTIP) that are available to them, but also lure them to explore “other tracks – inside the WTO or outside,” Azevêdo warned.

However, as for the TFA, observers believe there is still a small window of opportunity if India political leaders – as some rumors stipulate – decide to show some flexibility and accept to move toward a proposal once tabled by the U.S.; i.e. to clarify that the duration of the peace clause would last until the full Membership reached agreement on a permanent solution for food security. This U.S.-proposed

solution, meanwhile, would require that the TFA be immediately implemented, U.S. Ambassador to the WTO Michael Punke, explained at the TNC. This should not be a problem, some officials argued, since India has already started implementing measures to facilitate trade on its own.

Since India rejected the U.S.-proposed solution, ambassador Punke asked whether “something from the work done by so many in this room” can be salvaged. “All of us have experience in negotiating outside the WTO, but this is a moment in which the preferred options, at least from a U.S. perspective, would involve keeping trade facilitation inside this organization and not being forced into a position considering an agreement outside of it,” he stated.

Some trade observers have been pushing to transform the TFA into a plurilateral agreement, involving a coalition of willing countries, among the new avenues to be explored going forward. But at the TNC, Azevêdo refrained from outlining which specific negotiating framework could be explored if Members remain deadlocked. Instead he urged them to continue pressing ahead “looking for a way out of the impasse” while brainstorming on the next steps.

“In my view, this is our only option. We have to continue our work,” he told the full Membership.

Members will now enter a new phase, one that will call for an honest discussion on the next steps taking into account four key questions to focus on:

- 1) How to move forward with TFA and food security?
- 2) What to do with the rest of the Bali package (the remaining 8 decisions, including TRQ administration, the monitoring mechanism and the package of measures for LDCs)?
- 3) What to do with the Post-Bali work program deadline (December 31st) which comes in about 8 weeks from now, seen as insufficient to craft a detailed work plan for next year?
- 4) How does the current situation impact the WTO’s negotiating pillar?

“This could be the most serious situation that this organization has ever faced. I have warned of potentially dangerous situations before, and urged Members to take the necessary steps to avoid them. I am not warning you today about a potentially dangerous situation — I am saying that we are in it right now,” Azevêdo stressed.

The discussion on what to do next with the Bali package and the multilateral trade negotiation will resume straight after the October 21st General Council.

KEY UPCOMING EVENTS

- TPP Chief Negotiator Meeting, October 19–24, Canberra (Australia)
- WTO General Council, October 21, December 10–12
- TPP Ministerial Meeting, October 25–27, Sydney (Australia)
- APEC Leaders’ Summit, November 10-11 Beijing (China)
- WTO Regular Agriculture Committee, November 13-14
- 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.

For more information or comments, please visit: dairyfarmers.ca, chickenfarmers.ca, eggfarmers.ca, turkeyfarmersofcanada.ca, chep-poic.ca

Legal Deposit: National Library of Canada, ISSN 1496-9254



Dairy Farmers
of Canada
Les Producteurs laitiers
du Canada



Chicken Farmers
of Canada
Les Producteurs de
poulet du Canada

EGG FARMERS
OF CANADA
Dedicated to Quality



LES PRODUCTEURS
D'ŒUFS DU CANADA
Dédiés à la qualité



TURKEY FARMERS
OF CANADA
LES ÉLEVEURS DE D'INDON
DU CANADA

Canadian
Hatching Egg
Producers



Les Producteurs
d'œufs d'incubatio
du Canada