



An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

TPP Chief Negotiators Kick off Canberra Meeting, Prepare for Ministers

Chief Negotiators (CN) from the 12 Trans-Pacific Partnership countries (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Vietnam) met in Canberra, Australia from October 19–24 to prepare for the Sydney ministerial. They met with the hope of outlining various options for trade ministers’ consideration.

The meeting in Canberra did not involve many of the 29 chapters under negotiations. The CN focused their work on issues pertaining to intellectual property (IP), environment, state-owned enterprises (SOE), investment, rules of origin (RoO), financial services and legal issues, in addition to meeting bilaterally on market access.

On this last issue, observers continue to believe that the outcome of the U.S.-Japan parallel discussions on agriculture and autos will set the level of ambition for the rest of the TPP countries. The two TPP economic powers met in Canberra to advance their talks, but according to one U.S. official, the negotiations are going slower than the U.S. would have liked due in most part to the sensitivity of Japan’s five sacred product categories (rice, wheat & barley, beef & pork, dairy products, sugar & starch crops).

The U.S. official does, however, believe that the two countries are making progress as they have made inroads on some of Japan’s sensitive agricultural products. Various sources confirmed that Japan has now agreed to provide some sort of access to the U.S. beef, pork and dairy industries – 3 of the 5 product categories the talks have so far focused on. The discussion is believed to be at a stalemate over the safeguards Japan will implement for its beef and pork sectors. But at the same time, Japanese sources also point out the U.S.’s reluctance to completely eliminate its auto and light truck tariffs in a short period of time.

These types of talks are taking a lot of time, acknowledged one U.S. negotiator, adding that the two countries are not yet where they need to be. He noted, meanwhile, that there isn’t a free trade agreement out there where there is

complete tariff elimination across the board, an apparent nod to the fact that it is unlikely that Japan meets the original TPP ambition outlined in the Honolulu Declaration (which calls for a complete tariff elimination).

“You do as much as you can. The objective is to cover as many products as possible,” the official said. “I think that’s doable with Japan.”

The Japanese have also increased their level of engagement with other TPP members by circulating a revised market access offer, which has been described as “detailed and complex.” Various sources qualified the new offer as a “plurilateral” one, meaning that Japan may have tabled the same offer (barring small differences here and there) to other TPP countries besides the U.S.

U.S. President, Barack Obama, has called for something concrete to be achieved by the time of the November 10-11 Asia Pacific Economic Cooperation (APEC) Leaders’ Summit in Beijing. His request has been the catalyst behind the accelerated talks, but one U.S. source has played down the notion of a mandatory breakthrough following the Sydney Ministerial, saying that these are “very complicated issues” under negotiation and if they are not completed by the APEC Summit, negotiators will simply have to continue their talks.

As for the Trade Promotion Authority (TPA) which some – including Japan – have described as “mandatory” for the TPP negotiations to conclude, the U.S. official admitted that the Obama administration is still working hard on trying to get it approved by Congress, though some uncertainty remains as to when this could be possible, pointing at the post mid-term election as a possible timeframe.

AZEVEDO CALLS FOR ADDITIONAL CONSULTATIONS ON BALI AND POST-BALI ISSUES

Following weeks of uncertain outcome over the state of the trade facilitation (TF) and food security, WTO Members entered the October 21st General Council meeting with no clear answer on how to resolve the impasse.

India indeed has not yet changed its position on TF, still requesting that the issue be agreed at the same time as a definitive solution on public stockholding for food security before the end of this year.

At the meeting of the General Council, WTO Director General, Roberto Azevêdo, suggested that Members continue their work with the aim of unlocking the gridlock. He said he sensed from Members “a willingness to engage” and prompted them to do all they can to find a way forward.

This new process will start as of October 22nd with an honest discussion on what the next steps should be, taking into account four key questions as a guide to those discussions:

- 1) How to move forward with TF 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 Least-Developed Countries (LDC)?
- 3) What to do with the Post-Bali work program deadline (December 31st) with a timeframe that is 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 is going to be a very important conversation,” Azevêdo told the full Membership. “It is about the future — in particular the future of the Bali decisions and the future of the post-Bali work program.”

“This will mean facing up to some tough issues and answering some difficult questions,” Azevêdo warned.

The first results of this new consultation process will be harvested on October 31st when the Director General plans to hold another Heads of Delegations meeting.

KEY UPCOMING EVENTS

- TPP Ministerial Meeting, October 25–27, Sydney (Australia)
- WTO Heads of Delegation meeting, October 31
- APEC Leaders’ Summit, November 10-11 Beijing (China)
- WTO Regular Agriculture Committee, November 13-14
- WTO General Council December 10–11
- 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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