



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## TPA or Bust?

**It has become clearer and clearer that the 12 countries involved in the Trans-Pacific Partnership (TPP) negotiations (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States, and Vietnam) will not be able to conclude the talks this year if the Obama administration fails to secure trade promotion authority (TPA) in the next few months.**

Many anticipated the bill to be introduced late February, but divergences of views over the substance among U.S. lawmakers, combined with Congress's focus on the budget during the month March, have contributed to delay the introduction of the bill. Given these circumstances, various U.S. sources acknowledged that the chances of getting a major bill such as TPA through before mid-April appear remote.

Speaking before the U.S. National Council of Textile Organizations on March 26th, U.S. Trade Representative, Michael Froman, reiterated the need for TPA as soon as possible to finalize a TPP deal that "will include the highest and most enforceable labour and environmental standards of any trade agreement." That is because labour has been one of the major concerns in the bilateral negotiations between the U.S. and Vietnam.

"The first step toward unlocking that incredible opportunity is passing trade promotion authority," Froman said, adding that "[u]pdating TPA should be a natural choice for the textile industry, which has been at the forefront of adjusting to an increasingly competitive global economy."

"People will be looking to you for guidance in the coming weeks and months, and we need you to speak out, loudly and clearly, in favor of TPA," the USTR stressed.

Several TPP countries, including Canada and Japan, have voiced the importance for the Obama administration to get TPA before considering moving the TPPA to its final stages with countries tabling their best offers.

"It's clear to me from our trading partners that TPA is real, it's serious, and they're waiting for TPA before they bring their best, last offer to the table. I think that's fairly obvious," Republican congressman from Wisconsin, Paul Ryan, who chairs debates on TPA in the Ways & Means committee, has been quoted as saying.

The lack of movement in the TPA department has somewhat affected last week's bilateral negotiations between Japan and the U.S. on motor vehicle trade. Although the two sides have, as per tradition, claimed to have made progress on the technical issues under negotiations, they nevertheless acknowledged not being close enough to bring the issue before trade ministers.

Sources say Japan and the U.S. still disagree on non-tariff measures and whether this should be subject to dispute settlement mechanism, and also on the level of U.S. tariffs on auto parts. In addition to that, the two TPP powerhouses have yet to finalize their discussions on agricultural market access.

Because a U.S.–Japan deal is seen as a requirement for the broader TPP agreement to come together, a ministerial gathering between the two countries to finalize the political issues in their bilateral talks would likely pave the way for the broader TPP ministerial gathering, observers say.

Japanese sources believe that a head to head meeting between Froman and Japan's TPP Minister, Akira Amari, could be held prior to Japan's Prime Minister, Shinzo Abe's visit to Washington at the end of April which

could, if all goes well, serve as an ideal opportunity to announce a deal between Japan and the U.S. and consequently inject fresh impetus into the broader talks by allowing the negotiations to enter the end game.

If this materializes, and the Obama administration manages to secure TPA in the coming month, the

rumored ministerial meeting between the 12 TPP countries around the May 23-24 Asia-Pacific Economic Cooperation Ministers Responsible for Trade meeting in Boracay, Philippines, could provide Members with the opportunity to close the remaining outstanding issues.

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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