



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

“Dialogue of the Deaf”

Key WTO countries including Canada, China, India, Brazil, Japan, the U.S., and the EU, met on the sidelines of the June 2–4 Organisation for Economic Co-operation and Development (OECD) Annual Ministerial Council Meeting in Paris. They were meeting to discuss the ongoing work in Geneva on the Doha Development Agenda (DDA) work programme due for July 31st and objectives for the WTO’s 10th Ministerial Conference (MC10) in Nairobi this December.

The chairperson of the MC10, Kenya’s Cabinet Secretary for Foreign Affairs and International Trade, Ms. Amina Mohamed, co-chaired the Paris mini-ministerial meeting, along with Australia’s Parliamentary Secretary for Foreign Affairs, Trade and Investment, Steve Ciobo.

The group agreed to ratify the Trade Facilitation Agreement (TFA) so that it can enter into force by MC10. However, discussion on the content of work programme remained difficult as consensus around an ambitious outcome remains elusive.

“The United States is focused here on a single question: where can we find the points of consensus that can enable the conclusion of a negotiation,” the U.S. Ambassador to the WTO, Michael Punke asked.

He urged Members to recalibrate the ambition in order “to find new landing zones that, even if they fall short of original expectations, will at least allow the WTO to achieve a constructive conclusion of the DDA.”

“We have heard some criticisms about the process of recalibration, mostly from those who seem to think that we can find consensus on a 2008 package that we clearly failed to find consensus on at the time. This is far worse than living in the past. It’s living in a fantasy world, and it is highly irresponsible. It will spell the doom for the negotiating credibility for the WTO, so dearly won back at Bali,” Punke said.

With the July deadline to agree on a work programme fast approaching, the U.S. wants WTO Members to be realistic about what can be achieved before the organisation’s summer break, as it will give them a clear sense of what they can expect of the MC10.

“For the United States, the work program must provide, at a minimum, a clear outline of the issues on which consensus might realistically be achieved through negotiations during the course of the fall, leading up to Nairobi,” Punke said, adding that one way or the other, Nairobi will be a turning point for the DDA. It will be “now or never” to deliver something meaningful on Doha, even if much more modest than had once hoped for.

Agriculture & NAMA Market Access Linkages

Even though some WTO Members claimed that there is no strict parallelism possible between agriculture and industrial products market access (NAMA), since market access is only one of the agriculture negotiations three pillars, it’s nevertheless clear that the level of ambition in the former will set the tone in the NAMA negotiations. Some developing countries continue to refuse to engage in the NAMA discussions in the absence of clarity on the level of ambition in agriculture.

In addition, where some are ready to explore new approaches as alternatives for the agriculture tiered formula and the Swiss formula for industrial products, others want to keep the revised draft modalities intact, thus making it difficult to achieve consensus on the work programme itself.

However, at the June 1st informal meeting of the trade negotiations committee, WTO Director General, Roberto Azevêdo, stressed that Members showed openness to look at a more flexible methodology for tariff cuts, particularly an averaging approach in both agriculture and NAMA.

Those who participated in his consultations, he said, exchanged views on the cut in the average (reduction of the overall cut average) versus the average cut (average cut in

tariff lines) approach. While Members seemed to oppose the idea of a cut in the average for agriculture, it appears that both developed and developing Members may be ready to consider the idea of an average cut in tariff lines, given the firm opposition to impose a minimum cut on each tariff line. This strategy, some Members said, may allow negotiators to completely scrap the provisions on special products and sensitive products, and since there will be no deviations from the agriculture tiered formula, an increase in TRQ will no longer be needed.

Azevêdo told ministers in Paris that, while he was “encouraged by the good engagement” of the recent months, he’s nevertheless concerned that the progress achieved is not enough to deliver a substantive work programme in July.

“It is vital that we move quickly to find convergence if we are to deliver results that are both meaningful and

achievable. I will do everything I can to support Members to find a way forward,” he said adding that Members have reached the point where political input was needed.

G-7 Leaders Show Support

Azevêdo delivered a similar message to G-7 Leaders at their Summit in Schloss Elmau, Germany on June 8th. The leaders agreed in their statement to focus on the entry into force of TFA by the MC10 and called for swift agreement of a post-Bali work programme by the end of July.

“Both the implementation of the TFA and agreement on a post-Bali work programme should lay the ground for a successful MC 10, the first WTO Ministerial to be held in Africa,” the G-7 Leaders Summit Communiqué on trade reads.

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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