



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

TPP Talks on Automobiles End Without Breakthrough

Last week's negotiations on automobiles (autos) between the U.S., Japan, Canada and Mexico in Washington D.C., U.S. did not resolve the differences existing among the four countries. The Japanese negotiator for autos, Takeo Mori, told reporters after the two-day meeting that the group held "constructive discussions" on the issues at stake where each of the four partners provided a deeper explanation of its position, but that the group was unable to resolve the matter.

The discussion among the four mainly focussed on rules of origin (ROO) which aims to determine the percentage of auto parts that needs to originate from the 12 TPP nations in order to benefit from the reduced tariff agreement. In Maui, U.S., sources reported that the U.S. reached agreement with Japan that this value be established at 45% for autos and 30% for autos parts. Mexico and Canada both rejected the deal, stressing concerns for their respective automotive sectors.

The auto negotiations are pivotal for Japan as the sector represents one of the main offensive interests the country has in the TPP. Japanese observers said their country is likely to end up showing more flexibility in order to quickly resolve the issue as Prime Minister Shinzo Abe is eager to conclude the TPP. However, even if Japan stands ready to make an effort to increase the percentage of car input originating from TPP countries, one Japanese source say the country is not willing to accept a 50% threshold, which many said is that being sought by Mexico and Canada for both auto parts and passenger vehicles.

The group has not set any further meeting dates. Mori simply told reporters that the group needed to meet again in the coming weeks, but refrained from specifying when or where. The Japanese negotiator mentioned that each country needed to "return to its capital to consult at the political level."

Japanese government officials have provided conflicting views on the next steps, with one official

stressing that the next meeting on autos should be held in parallel with the next meeting of the TPP's chief negotiators, which in turn is likely to take place prior to the final ministerial meeting. Others meanwhile downplayed the need to rush things, claiming that more technical work is needed before the ministerial gathering.

The same debate took place in Washington D.C. last week, where some, like Deputy National Security Adviser Caroline Atkinson, believe that TPP countries are committed to completing the negotiations "in the next several weeks." Others, such as Australian Ambassador to the U.S., Kim Beazley, think members have plenty of time ahead "to arrive at a reasonable conclusion" knowing that U.S. Congress is unlikely to consider the deal this year.

Generally speaking, observers believe that holding another TPP ministerial meeting this month will be extremely difficult, even though Japanese TPP Minister, Akira Amari, told reporters that the likelihood of holding a ministerial meeting in September has increased following last week's discussion on autos, one Japanese source said.

As things stand today, some argue that the best window of opportunity for the next TPP ministerial meeting could be on the margins of the November 16-17 APEC Ministerial Meeting in Manila, Philippines.

WTO: MC10 Minus 92

WTO Director General, Roberto Azevêdo welcomed Members back for their first week of work following the summer break. He reminded them of their "determination to hit the ground running" this autumn "with a single-minded focus on delivering substantive, meaningful outcomes in Nairobi."

Azevêdo who urged delegates to use the summer break to reflect and test various red lines with their capitals, wants the focus of the upcoming Ministerial Conference in Nairobi (MC10) to deliver on development issues. "Our priority at MC10 must be delivering on development. He said on Monday. "This will be our first ministerial conference in Africa, and it must deliver for Africa," he added.

The Director General said he explored ideas with the Secretariat and with some delegations that were in Geneva during the August break.

Observers have speculated on a minimal outcome that would combine export competition with development issues for the MC10, given the difficulties Members have had with the agriculture, industrial market access, and services negotiations. However, even though many consider export competition the most ready of agriculture negotiations' three pillars, many of them believe the issue remains insufficient for the Ministerial Conference, arguing that both domestic support and market access will also have to be tackled.

With 92 days left before the beginning of the MC10, Azevêdo urged Members to “make each day count.” Officials said the Director General will test some of the ideas he collected during his August consultations at a meeting with key countries organized by Australia this week.

“I am pleased that no time is being wasted. I will take that opportunity to stress the importance of reaching meaningful development outcomes in Nairobi,” Azevêdo said of the gathering.

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 DINDON
DU CANADA

Canadian
Hatching Egg
Producers



Les Producteurs
d'œufs d'incubatio
du Canada