



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## New Chair Appointed to Head WTO Agriculture Negotiations

**The WTO agriculture negotiation group met today to formally appoint Ambassador Vangelis Vitalis from New Zealand as the new chair of the negotiating group. Vitalis replaces his predecessor, Ambassador John Adank, who has been called back to Wellington to assume a new position as New Zealand's chief legal officer.**

This is the fifth successive New-Zealander elected to the helm of the agriculture negotiations since the beginning of the Doha Development Agenda (DDA) after ambassadors Tim Groser (September 2003 to July 2005) and now New Zealand's Trade Minister, Crawford Falconer (September 2005 to April 2009), David Walker (April 2009 to June 2011), and John Adank (November 2011 to July 2015).

Some officials have previously speculated that a developing country ambassador (Colombia or Indonesia according to some) would have been chosen to lead the agriculture talks, which are central to the Doha Round. However, informed sources explained that most countries remained comfortable with New Zealand as an "honest broker" or "facilitator" given its position as an agricultural exporting country willing to push the negotiations forward. They also claimed that there is no other Member who is willing to give up his trade position to assume the post.

Vitalis, who served as New Zealand's Head of Mission to the European Union and NATO as well as Ambassador to Sweden, told delegations in his opening remarks that he would be consulting widely with delegations in the days ahead in order to learn first-hand how Members think progress can be made in the agriculture talks prior to calling for a meeting of the full Membership.

"I am firmly committed to the consensus principle," Vitalis said. "I know that a Chair's role – and therefore my role – is to work honestly, fairly, objectively, and transparently with all delegations to facilitate your collective movement towards agreement."

"In this regard, I know that there is no time to waste with the Nairobi Ministerial coming up fast," he added.

### Passing on the hot potato

The agriculture talks are extremely difficult at the moment as it's hard to see where the work programme is heading Ambassador John Adank once confessed. Members have not made a lot of progress since the beginning of the year, but will somehow have to manage to do so before the 10th Ministerial Conference (MC-10) in Nairobi this upcoming December.

Domestic support is the biggest problem. There, two countries, namely China and the U.S., will have to find a consensus to allow things to move forward. However, China doesn't seem ready to do anything, claiming that it already paid dearly to enter the WTO in 2001.

Export competition is seen as the "most ready" of the agriculture three pillars, but is seen as insufficient to be considered on its own in Nairobi. In the area of market access, some Members have asked for complete flexibility (average cut in tariffs with no minimum cut imposed on each tariff line) while others felt that this would not land anything substantial. It's hard to see a deal emerging unless the five key players (U.S., EU, China, India and Brazil) find a deal among themselves.

"Let me be very honest up front. I have neither a magic wand nor a magic draft, nor any other kind of magical powers here. Sadly, the powers inherent in the Lord of the Rings seem to have passed me by," Ambassador Vitalis said.

"My sense from talking with John Adank is that we are still some way from the 'thalassa thalassa' moment so vividly described by Xenophon. I do expect us however – working together – to reach the sea in time for Nairobi."

### Senior officials to meet next week

WTO Members are set to recommence their work the week of September 14<sup>th</sup>, following the traditional "Jeune Genevois" break. Australia has invited senior officials from the five key countries (U.S., EU, China, India and Brazil)

plus Japan to discuss what could possibly be achieved at the MC-10 on September 15-16.

A majority of WTO officials do not think that a minimal deal on market access, with no commitment on domestic support, would be enough to claim success in Nairobi. If nothing of substance is agreed to at the MC-10, they say, the DDA will be in serious jeopardy.

## U.S.-Japan to Resume Talks on Autos

The U.S. and Japan are set to resume their discussion on Autos rules of origin (ROO) on September 9th. An informed source from Japan says Japanese negotiator for autos, Mr. Takeo Mori, will travel to Washington DC tomorrow to meet with Acting Deputy U.S. Trade Representative, Wendy Cutler.

Mori is expected to stay three days in Washington, which some sources say is enough time to tackle the remaining issues in the autos talks. Both Canada and Mexico, who recently met with the U.S. in Washington, are also expected to join the talks. However, the Japanese source could not confirm whether the four countries will meet as a group or only bilaterally.

At the last TPP ministerial meeting in Maui, Mexico and Canada opposed the proposed rules of origin agreement reached between Japan and the U.S., citing great concerns for their respective auto industries. Now the source says the U.S. will be pushing Japan to show further flexibility in its ROO demands to allow a deal to be reached with its North American counterparts and to help move the broader TPP talks to a conclusion.

Japanese observers said their country will end up showing more flexibility in this area of the negotiations as Prime Minister Abe is eager to conclude the TPP. The Japanese Prime Minister, who has lately suffered much criticism in his country for trying to pass new security bills, has been strengthening his power within his party – the LDP – when on September 8th he secured the party’s leadership for the next three years. “This renewed trust in his leadership has provided PM Abe with more power in the LDP, but I think he lost broader support from Japanese people,” the source added.

The source could not confirm whether negotiators would also tackle agriculture issues – i.e. dairy – which is also outstanding.

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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