



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## Emerging Countries Pressed on Agriculture Subsidies

**The United States Trade Representative (USTR) is looking at options to bring emerging countries such as Brazil, China, and India to “correct their record” on agricultural subsidies.**

Speaking at a conference in Arkansas on March 30th, Darci Vetter, the USTR Chief Agricultural Negotiator, said the USTR is currently analysing China’s and India’s domestic subsidies for rice and wheat. The analysis, which is being conducted in collaboration with U.S.’s wheat and rice industries, may lead to complaints filed at the World Trade Organization (WTO).

This is the latest trend to emerge recently in Geneva where a number of countries, including Australia and Canada, are taking a closer look at developing countries’ agricultural subsidies. Lately, various studies have shown that countries like China and India have become huge agricultural powerhouses, with an increasing level of domestic subsidies over the past decade. These countries have failed to notify the WTO about their agricultural domestic spending. The USTR aims to force them “to come out and correct the record.”

### **Doha Development Agenda’s Next Steps**

The European Commission is currently brainstorming options to move the WTO’s agricultural negotiations forward. The consultation is currently taking place internally for the time being – i.e. within the EU member-states – one European delegate said. But the goal is to come up with a set of concrete options that will be presented and discussed at the Paris Mini-ministerial meeting on the sidelines of the May 31 –June 1 Organisation for Economic Co-operation and Development (OECD) Annual gathering.

### **Brazil Latest to Ratify Trade Facilitation Agreement**

The WTO agreement on trade facilitation (TFA) is slowly moving toward entry into force with Brazil becoming the latest to ratify the agreement last week. The deal reached at the WTO’s 2013 Bali Ministerial Conference aims to cut trade costs through various provisions for expediting the movement, release, and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues.

The Protocol of Amendment inserting the TFA into Annex 1A of the WTO Agreement was subsequently adopted by the General Council on November 27, 2014. This in turn launched the ratification process through Members’ domestic legislative procedures.

Once implemented, these improvements are expected to boost world trade by up to \$1 trillion annually, according to the WTO’s World Trade Report released on October 26, 2015.

To date, 72 of the 162 WTO Members have ratified the TFA. Two-thirds of the Membership (108) must ratify the TFA in order for the Agreement to enter into force.

“WTO members are now working to capitalize on the agreements reached at recent Ministerial Conferences in Bali and Nairobi, by delivering further reforms to the global trading system. This debate will help determine the future of global trade negotiations,” WTO Director-General, Roberto Azevêdo said while visiting Brazil last week.

## Canada Files Complaint against U.S.'s Countervailing Duties on Printing Paper

Canada notified the WTO Secretariat on March 30<sup>th</sup> that it has initiated WTO dispute proceedings against the U.S. regarding a countervailing duty imposed on imports of supercalendered paper (glossy printing paper).

At the heart of the complaint is the U.S. decision to impose countervailing duties of 17.87% and 20.18% on the imported paper from Canada.

The U.S. International Trade Commission claimed that Canada used export subsidies for its glossy papers, which had a negative impact on the American manufacturers and producers, the USTR said. It added that Canada was subsequently asked to remove the

subsidies more than two years ago, but Canada refused, which led to the U.S.'s countervailing duties. Canada claimed the new countervailing measures being applied by the U.S. are inconsistent with several provisions of the WTO's Agreement on Subsidies and Countervailing Measures.

The request for consultations is the first step toward the establishment of a dispute at the WTO. After receiving the request, the U.S. has 10 days to respond, and both countries can enter into consultations within a maximum of 30 days. The maximum period of consultations is 60 days after the reception of the request, unless both parties decide to extend them or suspend them. Past that period, Canada can request the WTO's Dispute Settlement Body to establish a panel of experts to study the dispute.

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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