



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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## EU's CETA Ratification Process Continues

### CETA Update

As the EU Parliament's International Trade Committee (INTA) vote on CETA's ratification approaches, the EU Commission received support from the European Parliament's Environment, Public Health and Food Safety Committee to recommend that the EU Parliament ratifies the agreement. This follows the December 8 vote of the European Parliament's Employment and Social Affairs Committee, which advised INTA to recommend that the EU Parliament reject the agreement.

INTA's vote will take place on January 24, followed by the EU Parliament's plenary vote on February 2. Observers expect the European Parliament to ratify CETA, which in turn – along with the consent of the Canadian Parliament – will allow CETA to be implemented on a provisional basis as of July 1.

### China Backs Globalization

At the World Economic Forum's opening plenary session in Davos, Chinese President Xi Jinping called for making economic globalization more inclusive and sustainable.

“Whether you like it or not, globalization is a big ocean you can't escape from,” he said through a translator, adding that China will be championing the multilateral trading system and the continuation of trade liberalization, instead of reverting to protectionism, something U.S. President-elect Donald Trump is seeking to restore in the U.S.

“Nothing is perfect in the world. It is true that economic globalization has created new problems. But this is no justification to write off economic globalization

altogether... We should act proactively and manage economic globalization (...) so to release its positive impact and rebalance the process of economic globalization,” Xi said, “We should strike a balance between efficiency and equity to ensure that different countries (...) share the benefits of economic globalization. This is the responsibilities that leaders of our time must take on!”

### LDC's Proposal on Domestic Support for MC11

In an effort to jumpstart the discussion on domestic support, the LDCs group tabled a proposal on the matter on January 13, asking, among other things, for:

- a binding overall limit applicable to the sum of all trade-distorting domestic support measures, including AMS commitments, blue box measures and permitted *de minimis* levels;
- the total elimination of domestic support by product, beyond *de minimis* levels, in order to avoid excessive concentration of domestic support on products of particular export interest to the LDCs;
- a progressive decrease in permitted domestic support measures, appropriately based on the aggregate commitments defined above;
- the clarification of the green box criteria and disciplines to ensure that measures in that category have no, or at most minimal, trade-distorting effects;
- special and differential treatment that takes full account of the development and food security needs of developing countries, and the need to exempt the LDCs from any reduction commitments.

The group will be seeking a significant reduction at the upcoming MC11 in Buenos Aires, with the aim of eliminating all types of domestic support that have distorting effects on the cotton market. To achieve this, they are calling for an overall limit on the sum of all trade-distorting domestic support measures for cotton, which could be achieved through various options:

1. a fixed numerical limit on domestic support related to cotton;
2. a limit defined as a percentage of the value of production of cotton;

3. a limit on trade-distorting cotton support measures defined as a maximum percentage of all product-specific support;
4. a limit on transfers to cotton producers expressed as a percentage of gross agricultural revenue from cotton.

The agriculture negotiations group has yet to schedule a meeting to discuss this proposal as the group is awaiting the confirmation of a new chairman to replace their departing chair, New Zealand's Ambassador Vangelis Vitalis.

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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