



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## Azevêdo to be Re-Appointed as WTO Director General

**The race for the world Trade Organization (WTO) Director-General post this year will not provide any surprises as the incumbent, the former Brazilian ambassador to the WTO, Roberto Azevêdo, has been confirmed on January 4<sup>th</sup> as the sole candidate for the position.**

Azevêdo had expressed, back on November 3, 2016, his willingness to serve a second consecutive term upon the completion of his current term, September 2017 “to continue working to strengthen the multilateral trading system” after successes achieved at Ministerial Conferences in Bali (2013) and Nairobi (2015).

The General Council chairman, Norwegian Ambassador to the WTO, Harald Neple, confirmed at the end of the nomination deadline (i.e. December 31st, 2016) that the consolidated list of candidatures received for the position was limited to one: Roberto Azevêdo.

In line with the procedures, Ambassador Neple, assisted by the chairs of the dispute settlement body (DSB) and TPRB (trade policy review body), will now consult with Members in order to confirm Azevêdo’s second term at the helm of the organization at a General Council meeting convened no later than May 31, 2017.

### Vitalis out, Walker in?

Agriculture negotiations chairman and New Zealand’s Ambassador to the WTO, Vangelis Vitalis, will swap positions with former TPP Chief Negotiator, David Walker, who recently served as Deputy Secretary Trade and Economic at the New Zealand Ministry of Foreign Affairs and Trade (MFAT), one informed source said.

Walker previously served as New Zealand’s Permanent Representative to the WTO position in Geneva from 2009 to 2011 before leading his country’s negotiating team in the TPP talks. WTO insiders said he is due to return to Geneva, but they remain unclear as to whether he will also inherit the agriculture negotiations chairmanship, as there may be other ambassadors interested in the position.

Successive New Zealand’s ambassadors to the WTO have traditionally been appointed chair of the agriculture negotiations, this list includes Tim Groser, Crawford Falconer, David Walker, John Adank, and Vangelis Vitalis. Ambassador Adank, who held the position from 2011 to 2015, before being replaced in September 2015 by outgoing ambassador Vangelis Vitalis, is now back at the WTO, but this time as part of the WTO secretariat legal department.

### Trump Appoints Robert Lighthizer as USTR

President-elect Donald Trump has appointed Robert Lighthizer to replace Michael Froman as U.S. Trade Representative. Lighthizer, who was deputy USTR in the Reagan administration, will join a high profile group of trade advisors – including Professor Peter Navarro who will head the National Trade Council and Commerce Secretary nominee, Wilbur Ross – Trump has put in place to ensure that the U.S.’s trade agenda reflects American commercial interests “while helping set the standard for global trade.”

In addition to these three trade advisors, Trump added two deputy directors to work alongside Navarro – Jason Greenblatt as special representative for international negotiations and Rolf Lundberg as Deputy Director of the council for “Buy American, Hire American.”

Although the trade negotiations portfolio is expected to be led by Lighthizer, American sources expect heated debates if not divergences within the Trump team, something that the President-elect welcomes. In effect, Lighthizer like Navarro, are both said to be virulent China critics, while Ross is said to be pro-trade. In addition, it remains to be seen how Greenblatt will complement Lighthizer in his role as special representative for international negotiations, the source added.

The Trump administration is expected to increase the anti-Chinese trade actions initiated by the Obama administration.

In a conflicting sense, recent trade numbers seem, rather, to indicate an increase of trade with China, and this was covered in a USTR report that was released to Congress January 9<sup>th</sup> detailing China's compliance with its WTO obligations.

The report notes a dramatic expansion in U.S. exports to China since the latter acceded to the WTO in 2001. It also confirmed that since China began implementing the numerous commitments that it made, U.S. goods exports to China have increased 505%, and services exports have increased 802%.

The report went on to describe how the Obama administration worked to hold China to their WTO commitments, particularly in key areas such as intellectual property rights, state-owned enterprises, services, market access, and agricultural and industrial policies. It also provides detailed information on the status of the trade and investment commitments that China has made through the U.S.-China Joint Commission on Commerce and Trade and the U.S.-China Strategic and Economic Dialogue.

## EU-Canada Initiative on ICS

The EU and Canada hosted an expert meeting on the feasibility of establishing a multilateral investment court (MIC) in Geneva on December 13-14, 2016. The meeting, which was attended by almost 170 delegates from more than 60 countries and eight international organizations, was described as positive.

The EU stressed that the significant interest shown by participants demonstrated how much there is an appetite for reforming the current ISDS (investor-state dispute settlement) system by exploring the idea of establishing a permanent multilateral investment dispute settlement mechanism.

“The numerous questions that were raised confirm that further in-depth exploratory discussions will be necessary and useful in order to advance this important project,” the EU stated in its website. The Commission hopes to one day replace the Investment Court Systems (ICS) included in several EU bilateral agreements – whether completed like CETA or the EU-Vietnam FTA, or ongoing like TTIP or the EU-Japan FTA – by the permanent MIC.

The EU and Canada plan to bring the MIC initiative to Davos, where they intend to discuss it with other Trade Ministers at the mini-ministerial meeting organized on the sidelines of the World Economic Forum in Davos (Switzerland) on January 20<sup>th</sup>.

**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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