



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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European Parliamentary Committee Backs CETA

U.S. President, Donald Trump said on February 2nd that he wants Commerce Secretary, Wilbur Ross, to be the head negotiator in the North American Free Trade Agreement (NAFTA) renegotiation talks.

“We put together an all-star team of top level people that are working on trade,” President Trump was quoted as saying in a meeting focusing on trade issues with U.S. lawmakers, including Senator Orrin Hatch, Senator Ron Wyden, and Congressmen Kevin Brady and Richard Neal.

“I have very serious concerns about NAFTA. NAFTA has been a catastrophe for our county. It’s been a catastrophe for our jobs and our country,” Trump said. “I want to change it and maybe we do it and maybe we do a new NAFTA and we add an extra ‘f’ in NAFTA for free and fair trade because it’s very unfair. All of the statutory guidelines we’re adhering to, I would like to speed it up if possible.”

Although no specifics as to what needs to be renegotiated have yet to surface, Washington sources said the Mexicans have probably been seeing more about that. Generally speaking the focus of the Trump Administration has been on manufacturing, though some issues with respect to sugar and avocados have come up recently with regard to Mexico, the source added. However, thus far, there has been no focus on issues related to Canadian agriculture, he said.

“I don’t care if it’s a renovation of NAFTA or a brand new NAFTA, but we do have to make it fair and it’s very unfair to the American worker and very, very unfair to companies in this country,” Trump declared.

The president tapped his commerce secretary to lead the NAFTA talks. Wilbur Ross will be “representing us in negotiations” President Trump said. “So we’ve really assembled tremendous talent (...) Wilbur is fair; he will be fair to other countries. And I think it’s going to be a tremendous thing for our county,” he added.

Trade observers remarked that even though President Trump wants to focus on bilateral negotiations, there may be four-way talks between the U.S., Mexico, Canada and Japan, as the U.S. president is poised to meet Japan’s Prime Minister, Shinzo Abe, in Washington this coming Friday. The two will most likely discuss the possibility of a bilateral trade agreement and, as the source reminded, the auto talks were four-way discussions between the U.S., Mexico, Canada, and Japan under the Trans-Pacific Partnership agreement.

WTO’s Agriculture Negotiations Chair

World Trade Organization (WTO) Members have yet to agree on a new chair to lead the agriculture negotiations, although officials said the list of potential candidates to replace New Zealand’s ambassador, Vangelis Vitalis, has been shortened to two.

Since N.Z. Ambassador David Walker has stressed that he was not interested in reclaiming the position, sources said Members were pondering candidates from Pakistan, Hong Kong and one ASEAN country. On Monday, the sources indicated that the position would likely be handed to either Pakistan or Colombia.

This new development, along with the absence of the new U.S. ambassador to the WTO, has delayed

Members from beginning their discussions on the possible deliverables for the MC11 in Buenos Aires (Argentina).

WTO Director-General: Roberto Azevêdo has nevertheless convened two green rooms on February 2nd and 3rd with proponents of the services (Feb. 2nd) and fisheries (Feb. 3rd) negotiations.

The Director-General is expected to pursue his small-group consultations this week with gatherings on e-commerce, development issues, and agriculture, with the hope that a new agriculture chair would be selected by the time the meeting takes place, one source said.

WTO officials have been mandated to intensify work by tabling proposals in various areas of the negotiations, including domestic support in agriculture, cotton, fisheries subsidies, trade facilitation in services, and reaching a permanent solution for public stockholdings for food security purposes.

Matters such as e-commerce, non-tariff barriers (NTB), and issues pertaining to market access, rules, and export restrictions were also mentioned as potential contributions for this year's Ministerial Conference.

The question, however, is whether the new U.S. administration will engage in multilateral negotiations this year. Some Members believe that the U.S. should have its entire team in place by the August break, in time for the second half of the year when intensive discussions leading up to Buenos Aires are expected. The most optimistic of them expect the Americans to be ready by May 2017.

In any case, Members are facing two scenarios, according to one official. If the U.S. is not ready to engage by the time Members head to Buenos Aires, one should not expect more than a light outcome out of the MC11, certainly something that would not hurt the U.S.'s interests which means that an agreement to reduce U.S.'s level of trade distorting support may be unlikely.

The worst case scenario – that is if the U.S. decides not to engage at all – would take the form of a Ministerial Declaration whereby Members would simply agree to continue to keep the multilateral system alive.

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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