



Azevêdo's Second Term Confirmed

The re-appointment of Roberto Azevêdo as the Director General of the World Trade Organization (WTO) was confirmed at February 28th General Council meeting. The Director General had to go through a Q&A session at the start of the meeting the morning of February 27th. As the sole candidate for the post, his confirmation was never much in doubt, although Members wanted to hear from him about what the priorities of his second term would be, in light of the current international trade environment.

“I don't deny the difficulties we face, the complexities of many issues and the gaps that exist. But we have shown that progress is possible when we are open, inclusive, and pragmatic” Azevêdo told the full Membership.

“Global economic growth is low. Trade growth is low. The threat of protectionism cannot be ignored. Multilateralism faces momentous hardships. And we struggle with the persistent challenges of poverty, inequality and under-development.”

“As we look ahead to MC11, and beyond, I think there is much that we can achieve, on the DDA [Doha Development Agenda] issues, LDC [least-developed countries] issues, or on other issues which Members want to bring forward,” Azevêdo stressed. “We need to maintain this habit of delivering – we should keep trying to make incremental progress and harvest outcomes wherever and whenever we can.”

“Those gaps remain today, and so the work must continue. These issues are critical for a large number of Members. We must keep working to take them forward and find ways to bridge those gaps.”

Azevêdo said he worries about the upcoming Ministerial Conference in Buenos Aires (Argentina, MC11) as he has yet to see progress in many of the issues expected to be delivered there.

“There has been a lot of activity here in Geneva. But from my discussions to date, my honest assessment is that in all areas we still have a long way to go — and a huge amount of work ahead if we are to arrive at concrete outcomes,” he said.

“If proposals are to be forthcoming, I think Members need to see them as soon as possible. The time is fast approaching when we will have to transition from the current stage of conceptual and general discussions to much greater specificity. I hope we can achieve this by the summer.”

However, Members should not lose hope just yet; the Director General added “MC11 is not the end of the road. I think the most productive approach if we want to deliver substantive outcomes is to aim to achieve outcomes pragmatically and — if needed — incrementally,” he said.

The Problem with Agriculture

One of the problems blocking progress on the MC11 agenda is the current divergence among Members on who should take the helm of the agriculture talks.

For weeks now, Members have been unable to select a new chair to replace former New Zealand's Ambassador to the WTO, Vangelis Vitalis. Delegates are still divided between Hong Kong's and the Uruguayan ambassadors for the job.

Officials believe that the agriculture chairmanship has to be held by a country that can not only play a neutral role in the negotiations, but one that has an interest in agricultural talks. The sources said Hong Kong lacks both aspects and can be influenced by China. Uruguay meanwhile is a member of the Cairns Group and has been an active player in the agriculture negotiations. Hong Kong has received the support of India, which has ultimately led to the impasse, informed sources said.

The difference has now led to the blockage of the nominations for other WTO committees. Of the 15 or so chairs expected to be selected at this General Council meeting, only two – the Dispute Settlement Body (DSB, Japan) and General Council (South Africa) – were confirmed on February 28th.

MC11 Agenda

On February 23rd, the full WTO Membership gathered to discuss mainly the agenda for the MC11 in Buenos Aires ahead of the February 27-28 General Council meeting.

Though there were lots of praises for the entry into force of the trade-related aspects of intellectual property rights (TRIPS) amendment (to ease access to affordable medicine for developing & least-developed countries) and the Trade Facilitation Agreement (TFA), the meeting was more of a reality check as to where Members stand with respect to the way forward with the negotiations.

Azevêdo stressed that he has held small group meetings on potential MC11 landing zones – services, development, fisheries, e-commerce and agriculture – with several delegations, but yet voiced the need for proponents to energize the discussion by tabling proposals to progress on these matters.

“2017 is an important year as we prepare for our 11th Ministerial Conference in Buenos Aires in December. It is therefore encouraging that the year has gotten off to a very good start for the WTO with the entry into force of the Protocol Amending the TRIPS Agreement and the Trade Facilitation Agreement. And I hope that this positive news will provide us with the momentum to make further progress this year,” he told Members, reminding them however that there is still “a long way to go, and a huge amount of work ahead” if they are to arrive at concrete outcomes for MC11.

Generally speaking, the main agricultural issues raised as important for the MC11 don’t include any surprises: the reduction of trade-distorting domestic support, fisheries subsidies, the special safeguard mechanism (SSM) and public stocks for food security.

Many Members still strongly support an outcome on domestic support, although officials said at this point there is even more support for (and thus greater chance of) achieving a solution on food security for which Members received a clear mandate in Nairobi (i.e. to reach permanent solution in Buenos Aires).

As for the SSM, questions remain as to whether this will be linked to an outcome in market access. Agricultural exporting countries such as Australia are not ready to include the SSM among the deliverables, without elements of market access.

The fisheries subsidies discussion features two parallel processes, multilateral and plurilateral. Proponents hope for progress in this area of the negotiations and though many prefer the multilateral approach, Members recognize that the plurilateral route can help move things ahead.

Other agricultural issues were also raised by various delegations (e.g. disciplines on Green Box, or the cotton issue) however, discussions on these have not gone far as Members have still not agreed on a new chair to replace Ambassador Vitalis.

On process, delegates repeated the need to avoid duplicating the MC10 experience – even though they recognize the importance for some small group discussion to efficiently advance the negotiations. But in order to avoid repeating the Nairobi experience – where a small group of countries got together to draft the agreement – Members want to have as much as possible being done in Geneva prior to their departures for Buenos Aires, where it is expected that Ministers will take the lead.

With only eight months before the MC11, the need to engage by tabling proposals is becoming paramount, even with the current environment dominated by uncertainty and the rise of anti-trade sentiments, particularly in countries that have benefited the most. Even if Buenos Aires ends up being different from Bali or Nairobi, it should not be seen as the end of the road, as most delegates believe.

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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