



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## TPP 11 Ministers Launch Process to Bring Agreement into Force

**Trans-Pacific Partnership 11 trade ministers (Australia, Brunei Darussalam, Canada, Chile, Japan, Mexico, New Zealand, Malaysia, Peru, Singapore and Vietnam) held a meeting on the sidelines of the May 20-21 Asia-Pacific Economic Cooperation Ministers Responsible for Trade (APEC MRT) gathering to discuss the way forward for the agreement without the United States. The ministers reiterated their willingness to implement the agreement citing its balanced outcome as well as its strategic and economic significance.**

“The Ministers agreed on the value of realizing the TPP’s benefits and to that end, they agreed to launch a process to assess options to bring the comprehensive, high quality Agreement into force expeditiously, including how to facilitate membership for the original signatories,” the statement released after the meeting reads.

Informed sources said Japan has suggested that the 11 Members agree to implement the agreement as soon as possible, but with a few changes. Tokyo wants to revisit the conditions of the agreement and establish new procedures that would ease the return of the US into the group, should the latter agree to do so in the years to come.

As it currently stands, the TPP agreement needs to be ratified by six countries that account for 85% of the group’s combined GDP in order to enter into force. As this cannot be achieved without the US, all agree that the ratification procedures need to be amended. Japan also wants to add a clause that would accelerate the inclusion of an original Member without requiring the lengthy negotiations that would apply to new Members.

Vietnam and New Zealand have already agreed to Japan’s proposed ideas given the importance of the US and its market to the TPP, informed sources said. However, other countries have concerns regarding the specific concessions they made to the US in the TPP. For instance, according to one source, some of the ASEAN countries are not willing to implement the provisions on labour in the absence of the US. Another question pertains to whether market access concessions also need to be adapted as, following the US’s withdrawal from the agreement, Japan has become the main target market.

Trade ministers in Hanoi instructed their chief negotiators “to engage to take forward the preparation of this assessment” and “asked for this work to be completed before they meet in the margins of the APEC Economic Leaders Meeting on 10-11 November 2017 in Da Nang, Vietnam.” Informed sources said the group hopes to bring the agreement into force before the end of the year or in early 2018.

### Lighthizer in Hanoi

New US Trade Representative Robert Lighthizer attended the APEC MRT as his first meeting following his confirmation. There, the USTR reiterated the US’s decision to withdraw from the pact and focus on bilateral negotiations with Asia-Pacific countries.

Lighthizer held several bilateral meetings alongside the APEC MRT, and since the Trump administration has notified Congress of its intent to renegotiate NAFTA, these included meetings with Canada and Mexico. The administration’s notification on May 18 launched a 90-day congressional consultation period,

making August 16 the earliest date for the start of the NAFTA renegotiations. The Trump administration will elaborate on its negotiating objectives at least 30 days before the start of the talks.

### **Azevêdo calls on Members to strengthen and improve the Multilateral Trading System**

WTO Director General Roberto Azevêdo was invited to brief APEC Members on the state of the WTO and the ongoing preparations for the organization's 11th Ministerial Conference (MC11). He welcomed the Ministers' commitment "to make the utmost efforts to achieve a successful 11th Ministerial Conference in Buenos Aires from 11 to 14 December 2017."

Members have been very active this year in exploring different negotiating areas. The DG cited services and rules – specifically regarding fisheries subsidies – as examples of where they have started moving towards higher levels of specificity. Activity has also picked up elsewhere, with a number of new papers and ideas

being put forward on issues such as domestic support in agriculture, services facilitation, investment facilitation, and trade remedies, Azevêdo said.

On May 19 in the agriculture negotiating group, some Cairns Group Members (Australia, Canada, Chile, Guatemala, New Zealand, Paraguay, Peru, and Uruguay) circulated an analysis paper on select Overall Trade-Distorting Support discipline options. The new agriculture chair, Ambassador Karau, has started consulting Members on potential deliverables for the MC11, and is planning an open-ended meeting on June 1-2 to update the full Membership on the result of his consultations.

"Clearly time is short. In the coming weeks I hope to see our preparations for Buenos Aires advancing with a much greater sense of clarity and purpose. But of course, at the same time, we also have to be realistic. So far, most of the areas under discussion are still in the early stages," Azevêdo cautioned.

**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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