



# Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

Charles Akande, Editor

## OECD Ministerial Council Meeting

**Trade ministers from the Organization for Economic Co-operation and Development (OECD) met on June 7-8 to discuss the state of international trade as well as investment and climate change. On trade specifically, ministers debated how the gains of globalization could benefit of all countries and stakeholders.**

The chair's statement released at the end of the meeting stressed that ministers did not reach full consensus on all issues, particularly climate change. Sources said the United States, who recently withdrew from the Paris Agreement, refused to sign onto every aspect of the declaration.

On trade, however, the statement states that Ministers reached "near consensus" on the importance of ensuring a level playing field for trade in goods and services with the World Trade Organization (WTO) at its center.

"The need to strengthen the WTO negotiation, dispute settlement and monitoring functions, and to commit to working together to achieve a successful 11<sup>th</sup> WTO Ministerial Conference that delivers positive outcomes and path for international rulemaking on trade and investment issues of importance to the global economy," the chair's statement reads.

The statement went on to reaffirm OECD Members' commitments to resist all form of protectionism, but also "the need to enhance market function and push for the removal of support by governments and related entities that distort markets."

The U.S. released a separate statement, essentially reiterating the same view. "We stress the importance of achieving access to markets through the elimination of barriers and unfair trading practices. Accordingly, we support the removal of trade-distorting practices such as dumping, discriminatory non-tariff barriers, forced technology transfers, non-economic capacity, subsidies and other support by governments and government-controlled or -owned institutions that distort markets, so as to foster a truly level playing field. We acknowledge the

right to use World Trade Organization (WTO)-consistent trade remedies to tackle such practices and enforce our rights," the U.S. statement reads.

"The United States recognizes the importance of international trading systems, including WTO-consistent trade agreements. We also commit to working with other Members to improve the functioning of the WTO, to ensure full and transparent implementation and effective and timely enforcement of the WTO agreements as negotiated and to make the utmost efforts to achieve a successful 11<sup>th</sup> WTO Ministerial Conference," it added.

There is clearly a growing backlash against globalization in significant segments of the population of many countries, WTO Director General, Roberto Azevêdo, said. However, "the real story behind the low trade growth of recent years is low economic growth, combined with – not necessarily protectionism – but an absence of liberalization," he added.

This should change with the implementation of recent successes reached by the WTO lately, i.e. trade facilitation, the expansion of the Information Technology Agreement and the elimination of agricultural export subsidies, Azevêdo stressed, adding that the upcoming MC11 will be another important opportunity for progress.

"We must ensure that trade contributes to solving the myriad of problems that leaders are wrestling with today. There's no doubt in my mind that it can do even more to create jobs and support growth and development," Azevêdo said.

### What Kind of Ministerial Do You Want?

As usual, a small number of WTO countries gathered on the sidelines of the OECD Forum to discuss the preparations for the MC11. The meeting, co-chaired by Australia's Trade Minister, Steven Ciobo and Argentinean Trade Minister Susana Malcorra, was attended by 30 or so WTO Members, including United States Trade Representative (USTR) Robert Lighthizer

and Canada's Trade Minister, Francois-Philippe Champagne.

There were no surprises, one source said, as countries lined up to reiterate their position. India took a hard line on the issue of public stockholding for food security purposes for which Members have a specific mandate to deliver a permanent solution in Buenos Aires. A very large number called for domestic support to be considered a priority.

Lighthizer, meanwhile, asked Members to remain realistic in their requests as countries remain very far apart on some issues. The new USTR said the U.S. believes in the WTO to deliver free, fair, and reciprocal trade.

Azevêdo asked for more specificity reminding Members that time is running short and that they will have to decide on the kind of Ministerial Conference they want at the end of the year. He called for more preparatory work before

Members leave Geneva for Buenos Aires. "I think that, by early October, we should be in a position to tell what is achievable by MC11, and then we can plan accordingly," Azevêdo said.

"We need continued engagement at ministerial level from now until Buenos Aires. I ask ministers to instruct their Geneva delegations to remain ready to work constructively, and with a willingness to engage with greater specificity. More importantly, given the lack of specificity in most discussions, and how tough all of them are, it is essential that ministers instruct their delegations to show open-mindedness and pragmatism," he added.

"Whatever the scenario in December, MC11 should provide a strong platform for future work. This is vital for the future of global trade, and therefore for all economies represented here today," Azevêdo concluded.

**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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