

Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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G-20 Find Consensus on Trade in Hamburg

The G-20 leaders met in Hamburg (Germany) on July 7-8 to discuss trade issues, among other issues, and come up with a common position on how to push the global agenda forward. While the differences between the U.S. and the rest of the G-20 Members persist on climate change, and specifically on the Paris accord, there have been some positive steps taken on trade as leaders managed to come up with a joint statement on the issue.

At first, EU Members were looking to isolate the U.S. by forming a coalition on trade, one that would call for the support of open trade, including delivering “concrete results” at the WTO’s 11th Ministerial Conference (MC11) in Buenos Aires this December. EU Members are targeting cuts in trade distorting domestic support as well as an agreement to prohibit fisheries subsidies as potential outcome of the MC11.

In a statement released ahead of the summit in Hamburg, WTO Director-General Roberto Azevêdo, IMF Managing Director Christine Lagarde and World Bank President Jim Yong Kim reiterated the need for trade as economic wellbeing of billions of people depends on it, they said. “[D]eeper trade integration coupled with supportive domestic policies can help boost incomes and accelerate global growth,” the heads of the three international agencies stressed.

In Hamburg, Azevêdo told leaders that the upcoming MC11 would be an important opportunity to make further progress after recent successes achieved by the WTO, including the entry into force of the Trade Facilitation Agreement this February.

“These successes show that the system is working, but it is not perfect. We need to keep updating it. Trade issues are always sensitive – especially when economic times are tough – and so we are seeing new tensions arising in different areas,” Azevêdo told leaders.

“The best way to resolve trade differences is through discussion and cooperation. But for this path to work, we also need political commitment and a real sense of

urgency to find concrete solutions. Otherwise there will be no confidence in the process. The WTO and I myself will always be available to help here,” he added.

The planned isolation of the U.S. didn’t come to pass entirely as G-20 sherpas managed to insert U.S.’s wording concerning “reciprocal” trade and “unfair” trade practices in the final communiqué.

“We will keep markets open noting the importance of reciprocal and mutually advantageous trade and investment frameworks and the principle of non-discrimination, and continue to fight protectionism including all unfair trade practices and recognise the role of legitimate trade defence instruments in this regard,” the G-20 final communiqué states on trade.

“We commit to work together with all WTO Members to make the eleventh WTO Ministerial Conference a success. To further improve the functioning of the WTO, we will cooperate to ensure the effective and timely enforcement of trade rules and commitments as well as improve its negotiating, monitoring and dispute settlement functions,” the statement further reads.

Officials in Geneva note the gradual improvement in successive communiqués on trade since the beginning of the year, hoping that the G-20’s consensual message will help Members’ discussions on the MC11 agenda. There are a series of meetings scheduled to take place throughout the month July. This includes discussions on agriculture issues including newly tabled proposals on domestic support on July 12th. An informal, open-ended meeting of the full delegation is scheduled for July 19th.

TPP-11 Senior Officials to Meet in Japan

The TPP 11 senior officials will meet in Hakone, near Tokyo, from July 12—14 with the aim of finalizing options to bring the TPP agreement into force by the end of this year. The meeting called for by trade ministers when they met on the sidelines of the APEC Ministerial gathering in Viet Nam last May will be the last before deciding how to move forward with the agreement without the U.S.

The final decision will be presented to leaders when they meet on the sidelines of the November 10-11 APEC Leaders' Summit in Vietnam.

There is a hope that that July 5th political agreement reached between the EU and Japan on their bilateral free trade (Economic Partnership Agreement — EPA) would have a positive influence the U.S.'s trade policy strategy, notably with respect to the TPP.

Observers say the EU – Japan agreement in principle has a potential to put further pressure on U.S.'s exports to Japan, especially beef and pork, as the U.S. is already

disadvantaged by the access Australia is benefiting from to the Japanese market in the context of the Japan – Australia free trade agreement.

For Japan, the accord with the EU is another way to press for the rapid implementation of the TPP, which hopefully would lure the U.S. to reconsider its withdrawal and agree to rejoin the group.

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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