

Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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Azevêdo Outlines Two Options for the Upcoming Ministerial

World Trade Organization (WTO) Members met on September 21st at the head of delegations level to discuss the way forward with the negotiations and the preparations for the 11th Ministerial Conference in Buenos Aires (Argentina, MC11).

With about two and half months before the MC11, this meeting served as an opportunity to get Members to re-engage in the negotiations and discuss the way forward for the next 12 weeks.

The WTO's Director General, Roberto Azevêdo, urged delegates to intensify their involvement and maximize the limited time ahead of them before the MC11. He provided his views on how he sees the negotiations proceeding and what the next steps should be. At some point, he stressed, Members will have to take a decision on what is achievable and what is not at MC11, and by doing so, identify two categories:

1. Issues that are not advancing quick enough to be finalized in Buenos Aires
2. Issues that could be achieved at MC11

The first category could easily include market access issues such as cuts in tariff peaks, tariff escalation, in-quota tariffs tabled by Paraguay and Peru, the elimination of the special safeguard (SSG) advocated by Russia as well as the adoption of the special safeguard mechanism (SSM) pushed by the G-33 group led by India and Indonesia.

On these, Azevêdo suggests Members could focus their work on developing a post-Buenos Aires work programme that could be included as part of the MC11 package. Paraguay and Peru also considered a similar option in their proposal.

By putting aside some of the issues for after MC11, Members could easily concentrate their time into pushing as far as they can on issues that could potentially be delivered in Buenos Aires. This second category could regroup issues such as the reduction

of trade-distorting domestic support supported by the vast majority, if not all Members, as well as the issue of public stockholding for food security purposes (PSH) for which Members were mandated by Ministers to achieve a final solution by the MC11. Some of these issues may require ministerial (political) intervention, Azevêdo said, but for that, Members will need to close the gaps as much as possible to leave a smaller list of items for Ministers' decision, he suggested.

WTO Members want to avoid duplicating the Nairobi (Kenya) experience when it comes to process. They therefore suggested either stopping the talks a few weeks before the MC11; pursue the talks right up until the start of the MC11, or a combination of the two approaches.

Whatever the option selected, Azevêdo urged them to be pragmatic and strike the right balance between ambition and realism in trying to reach deal in Buenos Aires. Informed sources said discussions on both the process and the outcome will be addressed, likely in Marrakech (Morocco), when some 40 delegations gather in a mini-ministerial on October 9-10.

TPP-11: No Consensus on Suspensions

TPP-11 senior officials met in Tokyo (Japan) on September 21-22 to discuss which provisions of the original agreement should be suspended until an eventual return of the U.S. in the group.

One informed source said chief negotiators held deep discussions on each chapter to identify what to keep and what to drop from the deal. The source said the 11 countries were invited to provide a list of issues they would like to see suspended. However, not all of them managed to do so, delaying the agreement on what to suspend until an upcoming meeting in October.

Canada did submit a list which focuses mainly on rules issues, one informed source said. Australia, Canada, Japan, New Zealand, and Singapore are all in favor of keeping the list to only a few issues in order to keep the bulk of the agreement intact. Japan would even prefer to avoid having a suspension list to ease the U.S.'s reintegration into the group, the source added.

Others like Chile, Malaysia, Mexico, Peru, and Vietnam took the opposite view. Mexico, for instance, is pushing Members to drop the dispute settlement (DS) provision as well as all articles from other chapters that are linked to the DS.

Because some countries failed to provide their list, it is difficult to see a consensus emerging before the end of the year, the source stated.

Once again, chief negotiators did not discuss market access, as they prefer taking a very cautious approach on this issue in order not to disrupt the fragile hope of reaching a deal among the 11 by the November Asia-Pacific Economic Cooperation (APEC) summit.

“There is a strong possibility that market access – agriculture included – could be kept intact as chief negotiators never took the time to discuss the matter,” the source said. Canada is said to hold an ambivalent position on this, whereas others like Australia, Japan, New Zealand, or even Singapore are willing to keep the concessions alive.

The source said chief negotiators also raised the need to discuss options to terminate a potential deal among the 11 should the U.S. decide to return to the group. If for instance the original accord (TPP-12) was to be implemented, this would either immediately terminate the TPP-11 agreement or kick start a series of modifications to allow the agreement to continue.

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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