



Geneva WATCH

An overview of the bilateral, plurilateral and multilateral trade negotiations

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WTO 11th Ministerial Ends with No Substantial Outcome

As anticipated after the U.S. opposed any substantial outcome in Buenos Aires, the World Trade Organization's (WTO) 11th Ministerial Conference (MC11) did not produce a decision on any of the major topics of the Ministerial Conference agenda i.e. public stockholding for food security purposes (PSH), export restrictions and prohibitions, or trade distorting domestic support.

Members have only managed to “deliver” a minimal set of issues composed of a moratorium and a work programme for e-commerce, a moratorium on TRIPS (trade-related aspects of intellectual property rights) non-violation and situation complaints, a work programme on small economies and the creation of the working party on the accession for South Sudan.

Ministers, meanwhile, agreed to continue the negotiations on fisheries subsidies with the objective to finalize a deal by the 12th Ministerial Conference (2019). This time they will effectively seek to agree on the entire target 14.6 of the UN Sustainable Development Goals (SDGs): “an agreement on comprehensive and effective disciplines that prohibit certain forms of fisheries subsidies that contribute to overcapacity and overfishing, and eliminate subsidies that contribute to IUU-fishing (illegal, unreported, and unregulated) recognizing that appropriate and effective special and differential treatment for developing country Members and least-developed country Members should be an integral part of these negotiations.” A good amount of work has already been done on this issue this year.

The agriculture issues (PSH, domestic support, and export restrictions) proved to be difficult despite the facilitators' best efforts to bridge the gap in Members' position. “Members did not manage to agree on final, substantive agreements this time,” Azevêdo said. “Anyone who has been following the debate in Geneva would know that progress on the longstanding issues was always going to be difficult,” he added.

“We knew progress here would require a leap in members' positions. We didn't see that.”

What appeared to be more disappointing was the fact that Ministers could not even agree on a detailed Post-MC11 work programme in the area of agriculture, officials stressed. All they could do was to commit to pursue the negotiations on the agricultural negotiations' three pillars (domestic support, market access, and export competition) as well as non-agricultural market access (NAMA), services, development, TRIPS, rules, and trade and environment.

“In the plenary hall we heard repeated, clear, strong support for the system,” Azevêdo said. “What's disappointing is that this support did not translate into action,” he added.

“If we really all support the WTO, if we really do, we have to bear in mind that multilateralism doesn't mean that we get what we want. It means we get what is possible. It's not compatible to expect multilateralism to work and at the same time to expect to walk out with everything you wanted. This is a recipe for failure.”

Who to Blame?

“The fact that one WTO Member with an extreme position chose to block a short Ministerial Declaration expressing shared views is no reflection on the excellent work of Minister Malcorra or her team,” Lighthizer stressed in what many considered as a direct attack on India.

Officials said the position taken by both India and the U.S. did not provide any flexibility to negotiate a substantial outcome in Buenos Aires. As such, the MC11 finished with only a chair's statement – instead of a ministerial declaration – as the U.S. refused to support the inclusion of the support for the multilateral trading system with the issue of development as its core in the ministerial declaration.

To make matter worse, Lighthizer even left Buenos Aires on December 12, a day before the official end of the MC11.

Sources also confirmed that India also contributed to the failure of the MC11 by refusing to budge on both PSH and the need to maintain an effective special and differential treatment for developing countries.

“MC11 will be remembered as the moment when the impasse at the WTO was broken. Many Members recognized that the WTO must pursue a fresh start in key areas so that like-minded WTO Members and their constituents are not held back by the few Members that are not ready to act,” Lighthizer said in a statement released after the MC11.

The U.S. is looking for result on agriculture “that is based on the realities of today, rather than a 16-year-old, outdated and unworkable framework,” the USTR said welcoming the opportunity in 2018 to continue to discuss how to “improve the functioning of the WTO and to ensure that it achieves its objectives for the benefit of all Members.”

Azevêdo meanwhile reminded Ministers that they need to make “sometimes painful compromises.”

“The system is not perfect. But it is the best we have. And we are all going to regret very deeply should it ever cease to function,” he concluded.

This is the final issue of 2017 and *Geneva Watch* will resume in January 2018, following the holiday break. Have a safe and happy holiday season!

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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